

Chapter 5

Conclusion

5.1 Summary of Findings

5.1.1 Demographic Profile of Kaskus Users

This study aimed to determine the demographic profile of Kaskus users to satisfy one of its objectives. Based on the online survey conducted, a demographic profile of respondents was obtained. This information is very crucial to understand the Kaskus Users and its association to consumer-to-consumer exchange. It provides the information to the owners of Kaskus about the demographic of the users. Based on figure 4.1.1, majority of Kaskus users are male and belonging to the age group of 18-24, which can be seen from figure 4.1.2. Although the majority occupation of Kaskus users are students, information obtained from the online survey indicates that employee received a high response according to table 4.1.3. Monthly income and expense were both less than one million as indicated in figure 4.1.4 and 4.1.5. These income values and expenses are deemed appropriate because majority of the respondents are students. According to figure 4.1.6, the highest percentage obtained from the question asking for the respondent's residential location was South Jakarta followed by West Jakarta. In addition, users are not limited to the national borders of Indonesia as there are several users who come from foreign countries. An undergraduate is the highest attained educational level for majority of the Kaskus users, based on figure 4.1.7. Table 5.1.1 provides the summary for the demographic profile of Kaskus users.

Table 5.1.1.1 Demographic Profile of Kaskus Users

Criteria	Majority (based on percentages)
Gender	Male
Age	18-24
Occupation	Student (45.13%) & Employee (34.42%)
Monthly Income	Less than Rp. 1.000.000
Monthly Expense	Less than Rp. 1.000.000
Residential Location	South Jakarta
Education	Undergraduate

5.1.2 Consumer Behavior Patterns of Kaskus Users

To satisfy one of the objectives of this study, the consumer behavior patterns of Kaskus users was obtained. Determining the consumer behavior patterns begin with categorizing the type of Kaskus users that engages in consumer-to-consumer exchange. This study categorized the types as buyer, seller, buyer/seller and not a buyer/seller. Based on figure 4.1.10, majority of the respondents were buyer/seller. When asked how long they have been members of the website, majority of respondents had been members from 0-3 years based on figure 4.1.8. Regardless of the user types mentioned, majority of the respondents visited Kaskus website on a daily basis as seen in figure 4.2.8, which is a cross tabulation of type of Kaskus users and their frequency of visit to the website. For respondents who conducted transactions, their preferred method of payment was bank transfers because that method of payment received the highest percentage of responses based on figure 4.1.13. Majority of users bought a total of number of less than

5 products/services in the last twelve months and majority of the goods bought belong to the electronics category as seen in the figures 4.1.11 and 4.1.12.

This study is not limited to buyers of Kaskus website as it also lightly explores the sellers' behavior patterns. Based on figure 4.1.14, the number of goods sold for most respondents was less than five items and majority of these goods belong to the electronics category, which can be seen in figure 4.1.15. When asked why sellers' do not purchase using Kaskus Exchange Forum, majority of them responded by saying the products/services were not up to their standards, as seen in figure 4.1.16.

5.1.3 Factors Affecting the Use of Kaskus as Customer to Customer (C2C) Exchange System

Based on the research model used in this study, several factors were determined that predicted the use Kaskus as a consumer-to-consumer exchange system. Three focal dependent constructs were used in the model which is future behavioral intent, satisfaction and usage. Antecedents for the focal dependent construct are assortment, community connectedness, convenience, cost and quality; while the focal dependent construct, usage has the antecedents experience and trust.

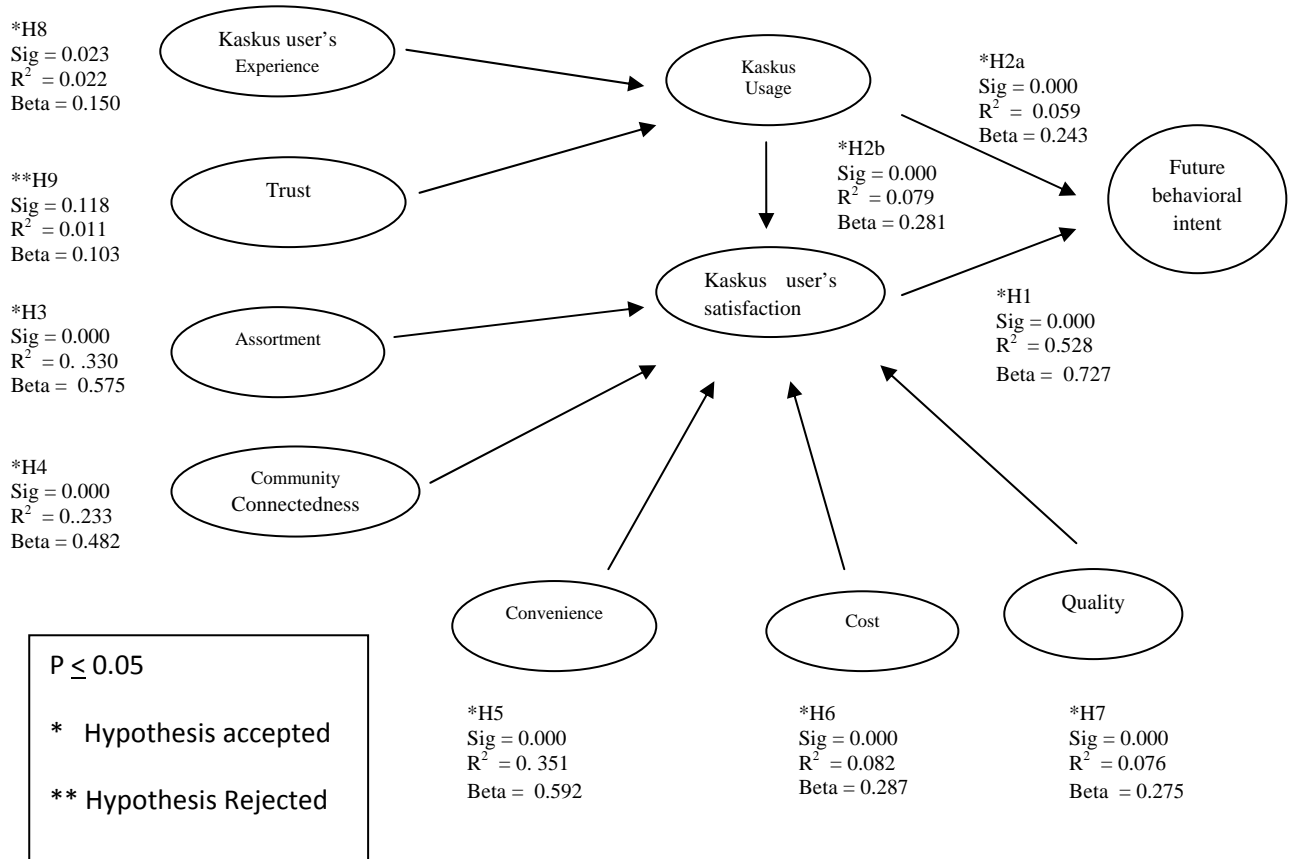


Figure 5.1.3.1 Research Model Analysis

The focal dependent constructs usage and satisfaction were predictors for the continual future use of Kaskus as consumer-to-consumer exchange system, as seen in figure 5.1.3.1 wherein the hypotheses, H1 and H2a, were accepted. However, between usage and satisfaction, the latter is the stronger predictor because satisfaction received a higher beta and R². The focal dependent construct, usage, was also a predictor for satisfaction whereby H2b was accepted. All antecedents of the focal dependent construct satisfaction were deemed predictors as their hypotheses associated were accepted. Furthermore, assortment and convenience were the two highest predictors as seen in their beta value of 0.575 and 0.592, respectively. The antecedent, community connectedness, also received a relatively higher beta (0.482) and R² (0.233) value

compared to the two remaining antecedents, cost and quality. For the focal dependent construct usage, only one antecedent, experience, acts as a predictor. However, as mentioned in section 4.8 of chapter 4, the variable item to measure the antecedent experience may not be accurate or correct because there were discrepancies in the findings related to the H8 hypothesis. The antecedent, trust, was rejected and may not be a factor as to why users use Kaskus.

Furthermore, to obtain more information regarding the use of Kaskus as a consumer-to-consumer exchange system, the model was tested again with the Kaskus user types of buyer and buyer/seller. Table 5.1.3.1 shows a comparison of results among buyer and buyer/seller. The results obtained from using the responses of buyers showed still showed that satisfaction is predictor of future behavioral intent but the hypothesis pertaining to Kaskus usage was rejected as a predictor of satisfaction. The antecedents' assortment, community connected and convenience are still strong predictors of satisfaction for the buyer type of Kaskus user. However, the hypothesis H6 was rejected and shows that cost was not a predictor for buyers' satisfaction. The remaining two hypotheses H8 and H9 were rejected because it received significant values of 0.093 and 0.785, respectively.

When the research model was analyzed by using the responses from the buyer/seller type of Kaskus users, analysis of the research model showed the same results as the one wherein it was tested with both buyer and buyer/seller. Satisfaction was still a stronger than usage for future behavioral intent. Assortment, community connectedness and convenience were still strong predictors of satisfaction compared to

the other two antecedents, cost and quality. The only main difference from the initial research model analysis, was H8 being rejected.

Table 5.1.3.1 Overview of Research Model Analysis among Buyer and Buyer/seller

Hypothesis	Buyer and Buyer/Seller				Buyer				Buyer/Seller			
	Results	Sig.	Beta	R ²	Results	Sig.	Beta	R ²	Results	Sig.	Beta	R ²
H1	Accepted	.000	.727	.528	Accepted	.000	.756	.571	Accepted	.000	.711	.506
H2a	Accepted	.000	.243	.059	Accepted	.000	.160	.026	Accepted	.004	.247	.061
H2b	Accepted	.000	.281	.079	Rejected	.065	.186	.035	Accepted	.000	.334	.112
H3	Accepted	.000	.575	.330	Accepted	.000	.562	.316	Accepted	.000	.580	.336
H4	Accepted	.000	.482	.233	Accepted	.000	.457	.208	Accepted	.000	.495	.245
H5	Accepted	.000	.592	.351	Accepted	.000	.634	.402	Accepted	.000	.560	.314
H6	Accepted	.000	.287	.082	Rejected	.115	.160	.025	Accepted	.000	.358	.128
H7	Accepted	.000	.275	.076	Accepted	.023	.228	.052	Accepted	.001	.296	.087
H8	Accepted	.023	.150	.022	Rejected	.093	.170	.029	Rejected	.222	.107	.011
H9	Rejected	.118	.103	.011	Rejected	.785	.028	.001	Rejected	.061	.163	.027

5.1.4 Kaskus.us as a Customer-to-Customer (C2C) Exchange System

This study viewed Kaskus.us as a consumer-to-consumer exchange system and as such, it was important for it to determine if indeed Kaskus.us is an effective means of conducting consumer-to-consumer exchange. This study claims that Kaskus.us is an effective medium of consumer-to-consumer exchange and has two arguments to support this claim. The first argument involved analyzing the consumer behavior patterns obtained from the online survey and formulating conclusions from it. Revisiting the information obtained from chapter 4 of this study, figure 4.1.11 shows that majority of the users purchased less than five products in the last twelve months. The number of goods purchased may seem small and does not indicate that Kaskus.us is an effective consumer-to-consumer exchange system; however, there is other information that must

be taken into consideration. Majority of the Kaskus users have a monthly income and expense of less than Rp. 1.000.000, as seen from figure 4.1.5 and 4.1.6, respectively. This would show that Kaskus users does not have a high purchasing power and would support why majority of the users purchased less than 5 products over the last twelve months. From figure 4.1.12, it can be seen that majority of purchases made by Kaskus users belong to the electronics category. Prices of electronic devices vary according to its type; however, general electronic devices such as mobile cellular phones, MP3 players or gaming consoles are priced substantially higher than what majority of Kaskus users earn in a month. This study established an assumption, based from all of the information mentioned, above that Kaskus users allocate or save their monthly income in order to purchase their desired product. This assumption explains why there were few purchases in the last twelve months, given the Kaskus users' low purchasing power. Furthermore, figure 4.1.9 showed that Kaskus users visit the website everyday, which would indicate that they continuously seek their desired product and used Kaskus as their choice of conducting consumer-to-consumer exchange.

The second argument to support the claim made by this study that Kaskus.us is an effective exchange system can be seen in table 4.5.1, which is the summary of the mean value analysis. The focal dependent construct, future behavioral intent, was measured by 8 variable items. From table 4.5.1, values indicated that Kaskus users have intentions of continually using Kaskus.us in the future as a means to procure products from the Kaskus exchange forum. It should also be noted that satisfaction was mentioned as a strong predictor of future behavioral intent, as seen in figure 5.1.3.1. If the Kaskus users were not satisfied, then they would have no intentions of using

Kaskus.us in the future. This argument supports the claim that Kaskus.us is indeed an effective exchange system indicated by the satisfaction and continual use of the website by its users.

5.2 Managerial Implications

A decade ago, the “dot.com bubble burst” crippled businesses because most companies joined the e-commerce band wagon without knowing or understanding the business process. Ten years have passed and there is still a lack of information in the field of consumer-to-consumer e-commerce, even with the growing popularity of consumer-to-consumer e-commerce. Businesses must rethink their strategies and business processes in order to accommodate the change in the business landscape. (Parloff, 2003) As such, the results of this study can aid the owners of Kaskus as well as other businesses with a consumer-to-consumer commerce business process.

5.2.1 Identifying the Target Market of Kaskus.us Website

Results obtain from the online survey allowed this study to present a demographic profile of Kaskus users. The demographic profile of Kaskus users can be seen in table 5.1.1.1, and this information could be beneficial to the owners of the Kaskus website. Having a better knowledge of one’s target market can provide insight on what the Kaskus community wants. Take the case of Kaskus user’s monthly income and expenses; this can indicate the willingness to buy products/services offered in Kaskus exchange forum. A measure of the Kaskus users’ disposable income can indicate their purchasing power. Sellers in the Kaskus exchange forum can then set a price that provides profit for them as well as pricing it within the desired price range of Kaskus users. The information obtained regarding the Kaskus users’ residential location can

determine where the Kaskus users are situated. Delivery cost should be considered in purchasing or selling a product, and if the product/service can indeed be delivered to its intended destination. Based on figure 5.1.3.1, cost is a predictor of satisfaction, of which was also a strong predictor of future behavioral intent.

According to Armstrong and Kotler (2007), buyers have different needs and buying practices; furthermore, the buyers are too widely scattered and numerous. The owners of Kaskus.us must be able to target users that are active in using the website. As such, the demographic profile of Kaskus users plays an important role to determine the market segments of Kaskus users. Kaskus.us can now select a target market that can create more value to its brand equity. Market segmenting and market targeting are two important business processes because it allows Kaskus.us to cater to a specific type of users instead of serving everyone. Specific marketing programs can then be created and implemented to the chosen target market. The use of the demographic profile established in this study is for the owners of Kaskus.us to determine which of the market segment they wish to serve.

5.2.2 Facing the Challenges of Customer to Customer (C2C) Exchange

As mentioned in chapter 2, there are 3 challenges for consumer-to-consumer exchange: trust, connecting the buyers and sellers and implementing a reliable and affordable payment method (Mäkeläinen, 2006). Although trust is not a predictor of Kaskus usage as seen in figure 5.1.3.1, research in chapter 2 shows the importance of trust. Even if these are contradicting facts, the Kaskus website should however focus on the strong predictors of customer satisfaction. The two antecedents' assortment and

convenience are two strong predictors of user satisfaction; therefore Kaskus should focus on these two as well as the antecedents' community connectedness, cost and quality antecedents, which are also predictors of user satisfaction. To connect the buyers and sellers, the website must ensure that assortment and convenience is promoted. For assortment, the website can provide a better product/service category system. In the Kaskus exchange forum, there are several categories already however; within each category are a large number of threads or posts that contains products/services being sold. The problem lies in a buyer seeking for specific product and the seller cannot reach the targeted buyer because of the flood of new threads or posts that was started. This can be remedied by creating a better interface for the users wherein all posts can be seen in the user's computer screen. Or, Kaskus can allow banner ads sponsored by sellers at a given fee. Not only will this connect the buyers and sellers, it will also add additional income to the Kaskus website. The Kaspay is an affiliated website to Kaskus which allows users to pay their transactions using the website. Not only does it promote a convenient of conducting transactions, it is also very secure because the Kaskus website supports it. However, based on figure 4.1.13, none of the survey respondents chose Kaspay as a payment method. Kaskus must rethink or even remodel its Kaspay system because users are not doing transactions via Kaspay. Kaskus should promote Kaspay heavily to increase its awareness. Encourage buyers to use Kaspay for its secure and simple method of transaction. Furthermore, Kaskus should also encourage sellers to accept only Kaspay as their method of payment. The use of Kaspay should provide a win-win situation for the buyers and sellers because it is more secure and convenient over their preferred payment method of bank transfers, which requires the buyer to go to a nearby ATM to transfer the money.

5.2.3 Converting Non-buyers to Buyers

One of the online survey questions asked for the reason why users do not purchase through Kaskus exchange forum and majority of the responses were that the products or services are not up to users' standards. Since quality is a predictor of satisfaction, consumer-to-consumer exchange activities can increase in Kaskus website if the issue of poor quality can be addressed. Kaskus administrators should do a screening of the large assortment of goods/services available in the Kaskus exchange forum to ensure that quality is maintained. To avoid any legal ramifications, Kaskus administrators should prevent or ban goods from questionable sources or pirated products. Maintaining or increasing the quality of offerings in Kaskus exchange forum can convert the non-buyers into buyers. This is an opportunity for Kaskus.us to increase the website usage or visits by converting non-buyers to buyers. As seen in figure 4.2.8 of chapter 4, buyers and buyer/seller are the most active type of Kaskus users.

5.2.4 Customer to Customer (C2C) E-commerce, a Threat or Competitive Advantage?

In chapter 2 of this study, it discussed the benefits or advantages of doing consumer to consumer e-commerce over traditional means such as purchasing through brick and mortar retailers. This is both a threat and an opportunity for businesses. Brick and mortar business may want to incorporate consumer-to-consumer e-commerce as part of their business process. An application of this would be allowing their customers to sell second hand goods over a designated venue provided by the business. Not only do

customers have more satisfaction because of associated antecedents present, this increases the brand awareness and perception of the business because of the service it is offering to the customers. As a threat, consumer-to-consumer e-commerce can steal a large percentage of the customer base of brick and mortar businesses. With the advantages of being able to bypass intermediaries that allow lower prices and the convenience in using consumer-to-consumer e-commerce, brick and mortar business must be able to anticipate the growing competitive nature and the importance of customers as players in the business landscape.

5.3 Limitations and Recommendations

Although there was a wealth of information obtained from this exploratory study, it encountered several limitations. By addressing these limitations in future studies, more information can be divulged with a greater scope and precision. The first recommendation came from the limitation of using the Kaskus website as the setting for consumer-to-consumer exchange system. A different website, setting or industry may provide future studies with a different set of results according to the constructs in the research model used.

A second recommendation would involve fine tuning the research model used in this study. As one can see from figure 5.1.3.1, there were several constructs in the research model that has a relatively low R^2 value. A higher R^2 value for each construct can increase the “goodness of fit” of the research model as well as explain the variances that occur within each construct. The low R^2 value may come from the change of exchange system used in this from the Plouffe’s study. However, future studies should take note of this and modify the research model according to the exchange system that will be used.

Although a pre-sample testing was done with 30 samples in this study, future studies should increase the number in order to analyze the model before it undergoes the final phase of analysis. Furthermore, this study made use of linear regression to analyze the model. Future studies use multiple linear regression and grouping the antecedents together to be tested, different results in the research model might occur.

The third recommendation this study would like to offer to future studies involves the antecedent trust that was used in the research model. Based on this study and referring to figure 5.1.3.1, the hypothesis H9 was rejected, which indicates that trust is not a predictor of Kaskus usage as a consumer-to-consumer exchange system. However, the antecedent trust should not be dismissed in the future studies as it has importance to the consumer behavior of individuals, based on the research findings of chapter 2. A change in setting or consumer-to-consumer exchange system may indicate that trust is indeed a predictor of using the exchange system. Furthermore, the research model could be remodeled with respect to trust. The trust antecedent could perhaps be a predictor of future behavioral intent because if trust exists, it can lead to the future use of Kaskus as a C2C exchange system. Furthermore, satisfaction could be an antecedent to trust as satisfied Kaskus users can establish trust for the users. Additionally, even though the validity test found in chapter 4 indicates the items to measure the antecedent trust are valid, further development of the measuring items can be used for future studies. One way to measure trust in Kaskus is through its reputation system. The reputation system present in Kaskus or “cendol” in the Kaskus vernacular involves users to rate the reputation of other users. Users who conduct reputable transactions or show good behavior will receive positive ratings from other users, and vice versa for fraudulent

behavior or scams buyers or sellers. This reputation system in Kaskus could be used as measuring item for trust and further research could be looked into it.

A fourth recommendation will have regards to the antecedent experience. In this study and Plouffe' study, the antecedent experience was measured by user's chronological tenure or in how many years have been users. The problem lies in having only one measurable item to test the variable because the item cannot be tested under the validity and reliability tests. The author of this study would like to strongly recommend that other variable items be used to measure the antecedent experience such as the number of posts the user had accumulated and the title or rank of the user. Title or rank determines how active the user is and increases as the user uses the website.

A final recommendation for future studies is adapting the research model for sellers. The social exchange is an exchange between two parties however this research model only accounts the buyers as proponents. Findings from the seller's perspective may generate new insight for consumer-to-consumer e-commerce. This study reanalyzed the research model by using the responses from buyers and buyer/seller, and there are indications of how different the results of the research model are and also their consumer behavior patterns. Sellers in a consumer-to-consumer exchange system may show different behaviors or attitudes towards the constructs used in the research model.

5.4 Conclusion

Customer-to-customer e-commerce may have gained popularity over the years; but it will take several years for it to replace the traditional means of exchange. With the advantages of conducting business through consumer-to-consumer e-commerce,

businesses should not ignore the potential benefits consumer-to-consumer e-commerce brings. However, there is a lack of information in the field of consumer-to-consumer exchange that prevents everyone from utilizing the exchange system to its full potential. This study provides the groundwork for future studies by shedding light into a field of study that has a limited insight on the subject matter. This exploratory study focused on the use of consumer-to-consumer exchange in the Kaskus website and the findings were remarkable. The antecedents used in the study show that assortment, convenience, community connectedness, cost and quality determine the satisfaction of the user. Increasing the users' satisfaction will result in their continual use of Kaskus website. Furthermore, a demographic profile was obtained from this study and it provides vital information of the users of Kaskus and those who engages in consumer-to-consumer exchange. The consumer behavior of the Kaskus users can analyze to determine their buying pattern and usage of Kaskus a consumer-to-consumer exchange system.

For future studies and businesses who wish to venture into the realm of consumer-to-consumer exchange, these findings can provide the framework to go ahead with their plans. The significantly important information obtained can add to the limited knowledge the field of consumer-to-consumer e-commerce has to offer. As customers play a more vital role in how transactions are conducted, this study acknowledges the growing importance of how consumer-to-consumer exchange affects the business landscape.