

THE EFFECT OF XYZ GENERATION CHARACTERISTICS TO E-COMMERCE C-TO-C: A REVIEW

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ABSTRACT

Biggest shifts have been in technology for marketplace, E-Commerce model, especially. The world has become more global and market is easily accessible. Consumers become very refined in looking for their choice of goods and services that they are looking for. Today, there are numerous online marketplace options available to suit consumer needs. E-Commerce offers a wide range of information technology to enhance communications and transactions with any related stakeholders in an organization. Focusing on XYZ generation characteristic, this study is sampling three of Indonesia's leading online marketplace providing consumer-to-consumer approach, one of the business models that bridge one consumer to another for their transaction of products or services. Consumer engagement is one fact that online marketplace focus on. Understanding the consumer to improve customer service is bringing online marketplace to the next level, rather than just updating their platform of selling.

Keywords: C2C model, consumer engagement, e-commerce, generation characteristic, marketplace

1. INTRODUCTION

Internet-based business community is increasing steadily. Their daily activities indirectly have created a new world domain which is often termed as "cyberspace". Unlike the real world, cyberspace has unique characteristics whereby a person can easily interact with anyone in this world as far as they are connected to the Internet. The elimination of such boundaries enables effective and efficient communications that encourage changes in the way that companies do business. Consumers have become very refined in their choice of goods and services that they are looking for. Today, there are many online marketplace options available to suit consumer neediness. E-Commerce offers a wide range of information technology to enhance communications and transactions with all related stakeholders within any organization. Focusing on XYZ generation characteristic, this study, sampling three Indonesia's leading online marketplace providing Consumer-to-Consumer (C2C), one of business model that bridging customers, one to another, for their transaction of products or services.

2. REVIEW OF LITERATURE

E-Commerce

Basically, regardless of the various types of definitions offered and used by various resources, there are similarities of each definition that E-Commerce has the following characteristics [6]:

- The occurrence of transactions between two parties;
- Existence of exchange of goods, services, or information; and
- Internet is the main medium in the process or the trading mechanism.

With reference to the above characteristics, it is obvious that E-commerce causes an essential impact on the development of information and telecommunication technology, thus significantly changing the way people interact with their environment, which in this case is related to the trade mechanism.

Viewed closely, there are basically 4 types of relationships in the business world commonly woven by a company [6]:

1. Relation with supplier;
2. Relationships with distributors;
3. Relationships with partners; and
4. Relation with consumer (customer).

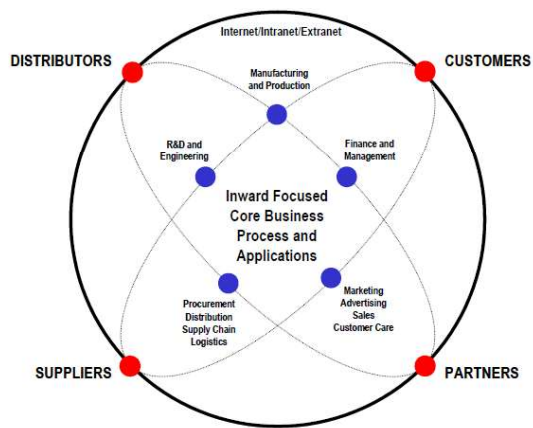


Figure 1. Many-to-Many Relationship [6]

C2C Model

Consumer-to-Consumer (C2C) is one of the available business models that bridge one consumer to another for their transaction of products or services.

C2C E-Commerce involves the electronically facilitated transactions between consumers through a third party. A common example is the online auction, where consumer posts an item for sale and other consumers bid to purchase it; the third party generally charges a flat fee or commission. The sites are only intermediaries to match consumers' need to sell and purchase. They do not have to check quality of the products being offered.

C2C marketing is the creation of a product or service with the specific promotional strategy being for consumers to share that product or service with others as brand advocates based on the value of the product. [9]

This type of E-Commerce is expected to increase in the future because it cuts out the costs of using another company. An example cited in Management Information Systems, is for someone having a garage sale to promote their sale via advertising transmitted to the GPS units of cars in the area. This would potentially reach a larger audience than just posting signs around the neighbourhood. In the economic downturn, which commenced in 2008, C2C commerce levels increased dramatically online [9].

XYZ Generation

Generation X, born in between 1965-1980. This generation was also called the baby bust generation, because of its small size relative to the generation that preceded it, the Baby Boom generation. The term Generation X spread into popular parlance following the publication of Douglas Coupland's book about a generation of individuals who would come of age at the end of the 20th century. They were influenced by worldwide competition and are accustomed to receiving instant feedback from playing computer and videogames [13].

Next generation, Millennials (also known as Generation Y), are the demographic cohort following

Generation X. Born approximately between 1980 and 2000. They are a generation that is plugged in 24 hours per day. They are comfortable with technology and would rather communicate with e-mail or text than talking face-to-face [5].

Generation Z, born approximately between 2000 and the present, they are not good listeners and lack interpersonal skills. They are comfortable with the Web and feel to be effective communicators; they need to communicate by the Web. Generation Z is also known as the "silent" generation due to technology ruling the world thus giving them the name of the "silent, the iGeneration, generation quiet, and the next generation". They take the Internet for granted and consider web sites such as Orkut, Google, and Facebook as their community. Within this community of cyber space, a person can have many acquaintances without personally meeting anyone. By being considered the quiet generation, members of this generation do not have personal meetings with their friends that may lead to relationships. They consider living around others as an invasion of their space [5].

Research has shown that each generation has its own strengths and weakness. Members of the older generations show characteristics that accommodate customer service and loyalty to an organization. Members of the younger generations have the technical knowledge and the ability to train others in order to use technology to benefit of the establishment [5].

Millennials, also known as Gen Y, are living their lives on the internet where 75% of them have a profile on a social networking site. When compared with only 50% of Gen Xers and 30% of Boomers, this gives them the distinct identity that they are more technologically advanced. [11]

In the global environment, businesses must run effectively in order to compete. Processes that were used in the beginning years of the Traditionalists or the Baby Boomers will not survive in today's market. Corporations are laying employees off and shutting down businesses. The only way to survive is to have a work force that is dedicated and has the ability to look into the future and "go beyond the box" [16].

3. DATA AND METHODOLOGY

The research method uses comparative studies by sampling from three of Indonesia's leading online marketplace. Tokopedia, Buka Lapak and Blibli.com are three of Indonesia's leading online marketplace providing C2C approach as one of E-Commerce business model. Study of literature has also been made to uncover the characteristics of XYZ generations, in which referring to published journals.

Generation Characteristic

The research showed that personal and lifestyle characteristics of each generation have its

own strengths and weaknesses. Table 1 shows the differences of each generation.

Table 1. Personal and Lifestyle Characteristics of XYZ Generations [5].

PERSONAL AND LIFESTYLE CHARACTERISTICS BY GENERATION			
	Generation X (1965-1980)	Generation Y (1981-2000)	Generation Z (2000-above)
Core Values	Scepticism Fun Informality	Realism Confidence Extreme fun Social	Comfortable with the Web and feel to be effective communicator.
Communication	A way to get there	An incredible expense	Can have many acquaintances without personally meeting anyone.
Media	Cell phones Call me only at work	Internet, picture, phone, email	Technology ruling the world.
Dealing with Money	Cautious Conservative Save, save, save	Earn to spend	Knows how to manage, what's worth for.

Diversity

Aleksandra Korzeniowska on her journal, Generation Y on the E-Commerce market, concludes that the Internet culture and globalization that made Generation Y so homogeneous is not absolute in terms of its influence extent. There are still cultural elements, not relics from the past but every day issues that Millennials are facing, depending on the place of living such as geographical, economic or political ones.

Generation Z has an innate comfort with the virtual world. For these consumers, the Internet always exists. Since the time of them growing independent from childhood to pre-teens to teenagers, great strides have been made in technological devices (e.g., cell phone capabilities, streaming video, social networks). This generation is not surprised by product obsolescence and has a high expectation for the pace of “more, smaller, and better” versions of technological products.

As consumers, Generation Z has more varieties in the marketplace than their forerunners and being current in technological advances, generation Z is willing to spend their money.

Sampling E-Commerce

A. Tokopedia

Since established, Tokopedia won the Bubus Awards in 2009 where Tokopedia has been named as the Best E-Commerce Company.

Identifying few of Tokopedia advantages, the assured SEO techniques which make the products easily visible in top ranks of search engines, safer due to a shared account system which allow buyers to feel more secure, etc. Share account allows for more financial security as the funds from buyers do not directly go into seller's account. Buyer funds will be stored securely in Tokopedia's shared account. Once the buyer confirms that the goods have arrived, then Tokopedia will send buyers' funds from the joint account to the seller's account.

The categories of products available in Tokopedia include fashion products, beauty items, electronics, gadgets, household, and many other products. In fact, consumers are also able to make a reservation to pay Indonesia Health Insurance BPJS, through Tokopedia. In terms of pricing, the prices are definitely less expensive compare to other. However, the products offered are quality guaranteed. Consumers can see the description of the product, along with reviews from previous buyers. Tokopedia also provide wholesale prices.

B. Buka Lapak

Bukalapak is one of the leading online marketplaces in Indonesia, owned and run by PT. Bukalapak. Just like an online-buying service site with C2C business models. Anyone can open an online store to then serve prospective buyers from all over Indonesian either per unit or in bulk quantities. Individual or corporate users may purchase and sell products, both new and used.

The categories of products available in Bukalapak include car, bicycle, tablet, gadget accessories, computer, laptop, printer/scanner, data storage media, fashion for both woman and men, fashion accessories, electronic equipment, audio & video, home appliances, baby equipment, up to book or musical instruments and others.

Bukalapak has a program to facilitate the existing Small and Medium-sized Enterprises (SMEs) in Indonesia to conduct transactions on sale and purchase online. This is because online transactions can make it easier for SMEs to sell their products without having an offline store. For those who already have an offline store, Bukalapak expects that the site can help increase the offline store sales.

Bukalapak transaction payment system guarantee of security in selling and purchasing transactions in the payment system also known as Open Wallet. In contrast to sites that developed in the 2000s, which generally took the form of advertising and allowed sellers and buyers to communicate by phone, in Bukalapak the sellers and buyers are not allowed to communicate directly due to potential fraud.

In this case Bukalapak will become a third party mediating transactions between the seller and the buyer.

C. Blibli.com

Citing from the company's profile, Blibli.com comes as a social commerce site that integrates E-Commerce and social media concepts to enable Indonesians to interact, share information, provide reviews, and recommend quality products, so that every shopping decision is made right and bring benefits to progress together.

Blibli.com upholds the principle of transparency by presenting a clear operational and price mechanism, authorized original products with complete description, in order for Indonesians to make smart and wise shopping decisions.

Blibli.com presents products that meet the needs and lifestyle of the community, without violating the norms of decency and morals prevailing in the Indonesian society. Their products offered cover almost all basic needs ranging from various electronic products, mobile phones, fashion for both men and women, kids and baby's, automotive, hobbies and culinary.

As Blibli.com's commitment to service, Blibli.com is committed to meeting the needs of the Indonesian people with the best service quality through a dedicated customer service center.

Easy order process description of goods with the terms of purchase, in the case of any promotional sale, Good delivery process with the provisions of shipping services that can be selected based on accuracy and speed desired and consider the condition of the goods. Lastly blibli.com provides replacement/return products in the case of damage and warranty for any electronic products, mobile phones, and other electronic products.

Similarity

They are all having similarities on types of products and services offered, besides the characteristics. Consumers' needs and lifestyles which demand something practical, lead to a competition among E-Commerce stakeholders. To name few; variety of products that available in shopping categories, 0% instalment, free shipping, various payment methods, quality guaranteed, security safety, checking on order status, rewards and 24 hours daily customer care. The application is also being made available in the App Store.

Added Value

On the other side, there are some value added which can be compared from consumers feedback such as discrepancy of product images with the real product, delivery time, goods returns process, etc. At the end, it needs trust from all related stakeholders.

Nowadays, people prefer to do transaction, including selling and buying goods just by pressing the buttons on their computer's keyboard and/or communication gadget to get what they want easily and quickly. Consumers are increasingly being pampered with a large selection of products, sellers and price alternatives on offer. This competition makes purchasing decisions changeable.

4. FINDING

Stakeholders, both internal and external, that involved in each of organization business process on E-Commerce, encompass not just one generation. For example, goods or services providers can be from X generation, while their consumers target is Y and Z generations. An opposite may happen, depending on the goods and services offered, in conjunction with market that being targeted.

C2C as one of E-Commerce business model can extend its range of information technology to enhance communications and transactions with all of an organization's stakeholders, wide-ranging externals. To be effective, internal stakeholder is recommended to understand who they are managing, in this case the consumer. By knowing characteristics, consumer needs can be necessarily synced with the apps to fill up and customize to each generation accordingly, as well as potentially anticipate future trend. Much of that knowledge comes down to understanding the generation that identifies their consumption, how they interact and engage. To broaden research result, consumers' survey can be done involving wider external stakeholder and online marketplace comparison.

Other consideration would be geographic location. There is no denying that internet access and gadget usage touch almost all kind of users, not just business people, moreover children at any stage, office workers, up to inside traditional markets and remote villages. Considering this, E-Commerce stakeholders can also adjust their business processes by anticipating possible distribution constraints and working closely with any third party such as shipping company and/or other alternatives.

5. CONCLUSION

Changes are the only thing that is eternal. In order to keep up and stay relevant, the only option to survive and strive is by adjusting to occurrences. While E-Commerce arose in the era of Y generation, in line with the turn of generation, change should also be made to go along with the change itself by considering the characteristics of the next generation. This needs to be considered as E-Commerce business actors are involving Z generation, conjointly X. Persisting in an irrelevant ways not only put the business in stagnant stage and has no competitive value with other similar businesses, but also brings

the business in a direction that is different from the company's targets.

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