CHAPTER 1

INTRODUCTION

1.1 Background

Nowadays in the blink of an eye we can access much information from the Internet. From the Internet, we could get closer to other people that live far away from us. Internet now also becoming one of shopping platform to buying something, the price is cheaper than in the conventional market. According to Tempo.co in 2018 The number of purchased by E-commerce in Indonesia is 69 percent. With the increase of internet user in Indonesia, online sellers and new online based business (web-based and third party based) see this to sell various kind of products. This kind of situation giving customer to another option to shop their needs, whether it's from online retail store (E-tail) or offline based store. Product provided by the online-based store can possibly fulfill customer need from A-Z, while in offline based store it's only selling certain goods in each store.

This situation makes both online retail store (E-tail) and offline based store face against each other. According to figure 1.1, the growth of E-commerce in Indonesia from 2014 until 2018 is rapidly growing it's giving good impact to online retailers to sell their products. This is show people buying behavior is changing from offline retailers to online retailers. The reasons why it shifts because e-commerce platform often offers many benefits such as various type of product, more payment option, accessibility, security, guarantee, promotion code, discount, cashback, and free delivery.
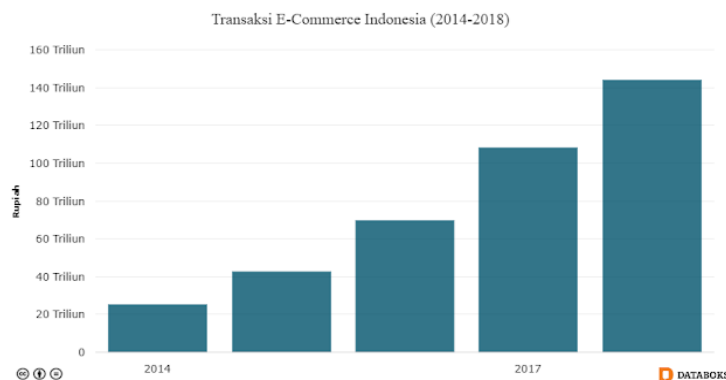

Figure 1.1 E-commerce Transaction Graphic
Source: www.databooks.katadata.co.id

According to Nielsen (Jurnal Web,2015) state that the most product that consumer online e-commerce is clothes (69%), home appliance (10%), book (7%), travel ticket (7%) and computer (6%) while most of the customer online are worker/white collar (31%), student (26%), and entrepreneur (15%). From this data we can conclude that fashion E-commerce is the easiest to have customer. Here is the data of fashion E-commerce popular in Indonesia:

Table 1.1
10 Popular Fashion E-Commerce in Indonesia
(Based on the number)

Fashion E-Commerce			
1	Zalora	6	VIP Plaza
2	Berrybenka	7	Bimbi
3	8wood	8	Hijabenka
4	Maskoolin	9	Muslimarket
5	HijUp	10	Wokuwoku

Source:https://saveasbrand.com/10-situs-e-commerce-fashion-terpopuler-di-indonesia/

Zalora is founded in 2012 and since then Zalora Group has operated in 10 countries such as Singapore, Indonesia, Malaysia, Brunei, Philippines, Thailand, Vietnam, Hongkong, Taiwan, Australia, and New Zealand. Zalora as fashion e-commerce selling product from local brand to international brand they have over 150.000 products that fulfill its customer. Zalora website itself has an estimate of 90 million visit in 2016, which is increase from its 50 million visits in 2015. Zalora has more than 100 different product that also staggering 50 million downloads for its mobile apps.

As one of the highest fashion e-commerce in Indonesia, Zalora is expected to maintain its customers' from highly competitive retailers. They need to attract new customer as well as retail old customer. This is vital because customer is heart of the business, without the customer the business can't grow as much as possible. Therefore, business has to satisfy their customer by meeting their expectation. There are many ways to fulfill their expectation, such as E-brand experience, brand trust, brand loyalty and also from gender.

As Zalora selling its product from the website, they need to make their website as good as possible. Providing better brand experience to online shoppers is important because a good online experience influences consumers' online buying behavior (Rose et al., 2012). From the website, customer can gain e-tail brand experience by looking at the website design and also from delivery. E-tail brand managers should focus on the design and delivery of unique e-tail brand experiences to develop brand trust and brand loyalty in customers (Khan, 2016).

Other than E-tail Brand Experience, Brand Trust also a way to satisfy customer when the product arrived in customer. Trust is essential to building and maintaining long-term relationships (Rousseau et al., 1998). Trust is a significant factor in determining customer loyalty and is highly correlated with customer satisfaction (Lin and Wang, 2006). Trust make people have some kind of behavior to trust the product can fulfill their satisfy. If customer trust with the product they will have positive behavior toward the product.

Brand loyalty itself is the development of brand trust. As customer trust for the brand can fulfill their satisfy they will become more loyal to repurchases things. Behavioral loyalty refers to repeated purchases of the same brand, whereas attitudinal loyalty refers to consumer intentions to continue to purchase the same brand (Pappu et al., 2005). The creation and maintenance of customer loyalty help brands develop long-term, mutually beneficial relationships with their customers (Pan et al., 2012).

As Zalora is selling female and male products, For instance, Herter et al. (2014) highlighted the differences in the shopping behavior of male and female consumers. As female customers have variety brand of fashion while male only have limited that is why in this thesis will also using gender as the moderator variable.

This thesis is a replication research from Khan (2016) that said the influence of e-tail brand experience on e-brand trust and e-brand loyalty and gender as the moderating has significant influence and also from Ramaseshan (2014) said that there is no influence of brand experience to brand loyalty with the mediating role of brand personality and brand relationship. The purpose of this thesis is to know

influence of E-tail brand experience to brand trust, brand loyalty and gender as the moderating variable. As using Zalora website as the object of this paper.

1.2 Research Questions

From the background elaborate above, problems can be formulated as follows:

1. Does e-tail brand experience give influence to brand trust of Zalora?
2. Does e-tail brand experience influence to brand loyalty of Zalora?
3. Does brand trust influence to brand loyalty of Zalora?
4. Is relationship between e-tail brand experience and brand trust of Zalora moderated by gender?
5. Is relationship between e-tail brand experience and brand loyalty of Zalora moderated by gender?

1.3 Objectives of the study

The Objectives of this study are to explore:

1. The influence of e-tail brand experience to brand trust of Zalora.
2. The influence of e-tail brand experience to brand loyalty of Zalora.
3. The influence of brand trust to brand loyalty of Zalora.
4. The moderation of gender in relationships between e-tail brand experience and brand trust of Zalora.
5. The moderation of gender in relationship between e-tail brand experience and brand trust of Zalora.

1.3.1 Significance of the study

From the elaborated objectives, this study is expected to provide theoretical and practical significances.

1.3.2 Theoretical Significance

1. To provide further study about e-tail in Zalora.
2. To provide additional information or issues about Zalora.

1.3.3 Practical Significance

1. The study would be helpful for firms to know more about the e-tail experience of their customers.

2. The study would be helpful for online based brands and any kind of brands to enhance their e-tail market.

1.4 Writing Systematic

The systematic of this research is mentioned below:

CHAPTER 1. INTRODUCTION

This chapter consists of the background, research questions, research objectives, significance of the study, and writing systematic of the study. This chapter aims for explaining the problem from previous research and issues in recent condition.

CHAPTER 2. LITERATURE REVIEW

This chapter consists of the theoretical background, previous study, relationship among variables and hypothesis. The variable that will be explained is perceived justice (distributional, procedural, and interactional), psychological contract violation, and repurchase intention.

CHAPTER 3. RESEARCH METHOD

This chapter describes the process of analyzing the data including research design, identification of variables, operational definition, type and source of data, variables measurement, data collection method, population, sample and sampling technique, and data analysis technique.

CHAPTER 4. DATA ANALYSIS AND DISCUSSION

This chapter consists of research data description, data analysis, and discussion, also discussing about respondent description, research variable statistic descriptions, as well as hypothesis testing.

CHAPTER 5. CONCLUSION AND SUGGESTION

This chapter is the closing of this study that consists of conclusion and suggestion for the research object, for the consumer, and for researchers who are interested in doing further research.