Research Plan Development Concerning E-Image Impact Towards Online Purchase Intention And Premium Pricing Strategies In Indonesia Community Based Online Market

Robertus Nugroho Perwiro Atmojo [1]
School of Information Systems
Bina Nusantara University
West-Jakarta, Indonesia
robertus.atmojo@gmail.com [1]

Harjanto Prabowo [5]
School of Business and Management
Bina Nusantara University
West-Jakarta, Indonesia
harprabowo@binus.edu [5]

Restu Mahesa [2]
School of Business and Management
Prasetiya Mulya Business School
South-Jakarta, Indonesia
restu.mahesa@gmail.com [2]

Dyah Budiastuti [6]
School of Business and Management
Bina Nusantara University
West-Jakarta, Indonesia
dbudiastuti@binus.edu [6]

Wanda Wandoko [3]
School of Information Systems
Bina Nusantara University
West-Jakarta, Indonesia
wwandoko@gmailcom [3]

Ford Lumban Gaol [7]
School of Computer Science
Bina Nusantara University
West-Jakarta, Indonesia
fordlg@gmail.com [7]

Viany Utami Tjhin [4]
School of Information Systems
Bina Nusantara University
West-Jakarta, Indonesia
vtjhin@binus.edu [4]

Theresia Nanin Koeswidi Astuti [8]
Department of Law
The Christian University of Indonesia
East-Jakarta, Indonesia
theresia.naninka@gmail.com [8]

Abstract — **The Gregg and Walczak definition about e-image has been inspired us to examine their theoretical model in a different digital marketplace environment. As a novelty, we introduced the Real-Time Support Assistance (RTOSA) concept as a supplementary moderating variable. This paper constitutes hypothetical development about the proposed RTOSA and contains a brief description of Indonesia largest online community forum that projected as our online experimental research dioramas. This proposed research aims to explore the e-image effect towards consumer willingness to do the online transaction and the seller capability to adjust pricing premium moderated by RTOSA and also product type differences. Six hypotheses were modeled in this research proposal. The future results of this research are expected to be a significant contribution towards society, business, and science.**

Keywords — *e-image; online purchase intention; price premium; e-commerce; e-business; management information systems*

I. INTRODUCTION

The online business activities are not only focused just on technology or sophisticated internet-based application platform but also the other factor. Service quality and business image are some important primary concerns that should taken into the serious consideration. In the previous study by [1] have shown, that the failure to provide the best services to the customer will lead to the creation of complaints. A growing number of customer complaints will cause the negative impact on Word-of-Mouth (WoM) references. The more negative WoM

sentiments, then it will affect the business performer image. Previous research conducted by [2] used the term e-image (electronic image) as a description of business reputation, the quality of information, the positive WoM sentiment, and so on. That owned by business organizations and individuals who ran their business in the online channel. Where, the results of [2] showed that a good e-image was increasing the customer willingness to buy the product online. Furthermore, their experimental testing scenario uses an eBay platform as the online laboratory. Showed that, a positive e-image was not shaking the customer desire to keep making a purchase, even though, the price offered by the seller is relatively higher than the competitor. On the other hand, [3] also stated that a good business reputation affects the initial trust-building of the potential customer. Where, the consumer trust does not only emerge in the offline channel business, but also in the online channel environment. Turilli et al., [3] added that the primary key success factor of online business is online trust. Since, the customer trust factors may be created under the uncertainty of market condition and the risky situation. Therefore, there is a demand for online business performers as the trustee (the entrusted party, e.g. the seller) to maintain their reputation by not harming their trustor (the people who give their trust to the trusted party, e.g. the potential customer) trusts. In an attempt to validate and to explore the further concept of e-image. This study is conducting the replication study of previous research done by [2], which using a same methodology based on their recommendations. Where, in the earlier study, [2] gives the advice to calibrate the e-commerce business environment that is more traditional and using the another type of products or services. The traditional forms have an understanding as such whether web design layout and information content attributes that could have more contribution to achieving bigger benefits? The understanding comes from the research results on the experimental testing by [2] that carried out in the eBay marketplace. Where, technically, eBay is a third-party (TP) websites (the provider of online selling-buying platforms) who have met all the criteria for some kinds of well-designed online stores [4]. Then, the results of the study indicate that the selection of the right business username and the ability of business performer doing the excellent product listing (content preparation) correlated to the succession of convincing e-image creation. Where, the better e-image boosting the customer willingness to bid higher auction prices and ultimately make a purchase. This study aims to continue the previous study by [2] in a different situation of online marketplace. As a novelty, this study modified previous research model by adding up a unit of moderating variable. Where, the addition will focus on the mode of instant messaging-based Computer-Mediated Communication (CMC) in an attempt to enhance the service quality of the business performers. The primary concern about enhancing the quality of service based on the real-time online support assistance feature. Where, in the previous study by [5] the final purchase decision making by the potential customer was influenced by the salesperson capability to provides real-time support regarding product information and recommendation. Furthermore, the concept about the Real-Time Support Assistance (RTOSA), as described on [6], which has a projection as a purchase decision-making booster, will be implemented in this study. As a distinguishing power in this

study, the experimental testing will be held on the kaskus.co.id platform as the e-marketplace. The reasons for using kaskus.co.id as experimental research diorama was because it has a huge online C2C market share and so does the traffics. Moreover, the kaskus.co.id online community has a unique virtual bond among its members and then, the exceptional online cultures in Indonesia digital market [7].

II. LITERATURE REVIEW

A. E-Image

What words would describe the seller reputation, the right business username, the fascinating web information presentation, and the excellent web-quality services? In the previous research, Gregg & Walczak [2] have been encapsulating reputation, quality of website information, service quality performance, and another form that represented the business performer image into one dimension. Then, it called as an e-image. The term of e-image is not the synonym of online image, which has tended to online pictures or graphics. The e-image constitutes the reliability, credibility, and integrity of the company and also the individuals in an online environment. Without having positive e-image, there is impossible to make the business survived and developed sustainably. The experimental buying behavior study by [2] proofed that the better index of e-image will bring customer seriousness to making a purchase decision. Moreover, then, the better index of e-image also brings the prosperity to the seller side for marking up the product price higher than their competitors. All good situation could happen depends on how the business was building their e-image in front of their customer's eyes. So, there is an important thing to maintain and to keep their e-image stay positive in every situation.

B. Real-Time Online Support Assistance

Salesperson assistance to reduce consumer confusion problem in the purchase decision-making process is critical. The previous study by [6] proofed that the salesperson recommendation increasing customer confidence when selecting several product alternatives. There was not too much problem when dealt with the shopper who has pre-knowledge information towards goods or services will be purchased. However, there will be the opposites to face the unprepared potential customer. Everything may be asked to the salesperson, from the easiest to the hardest ones. There are the challenge and also the opportunity at once to be faced by the seller. The unprepared customers tend to insist the salesperson responded to their questions quickly, as soon as possible, and polite. If the sellers have a good convincing strategy, by their recommendation, the potential customer could be converted to the loyal client. The good suggestions from salesperson will increase the confidence of unprepared buyer to make a purchase decision. Therefore, the seller should actively respond their potential customer inquiry, to get a good customer impression. Fortunately, in a present day, there are many choices of instant text messaging application to facilitate RTOSA. Instead, those application are free of charge and may support video call activities. Hence, there should no barriers for

the customers to get instant suggestions and real-time product recommendations from the salesperson.

C. Product Category

The product category was divided into two types, new and used products. Gregg & Walczak [2] defined the differentiation of product category correlates with the product risk. If the new product has a defect, the customer can claim the Return Merchandise Authorization (RMA) Policy to get the new ones. Whereas, for the used items, there was rather difficult to guess the quality of products sold via online pictures. The good picture quality is not always representing the real condition of the product. The buyer never knows whether the product refurbished or ever drowned in the water, especially for the electronic product like the smartphone. Therefore, that is why the seller e-image plays some important roles. In this study, we will compare the automotive halogen bulbs as new product category and Playstation 3 Blu-ray disk video games as used product category. We will calibrate multiple conditions of the seller e-image regarding signaling theory. As an example, we will offer new halogen bulbs product underpriced by using negative seller username such as PenipuOnline (in English: OnlineDeceiver). In future, we will compare the results with the another adjustment. Whether there will be a significant differentiation among those adjustments?

D. Purchase Intention

There are several factors influencing potential customers to make purchases online. Some of which are, the seller reputation, structural assurance, positive e-image, and the online trust. The seller fulfillment towards these criteria, trigger customer willingness to spend money on seller goods sold. The repetition buying mechanism starts from an initial purchased by the potential buyer. The first trust represents the transactional trust and it continuously developed to the relational trust [8]. The creation of relational trust represents a stronger personal relationship, and then, emerges repetitive customer purchases. The repurchase buying behavior indicates the customer satisfaction [9]. Where, satisfaction is an emotional or cognitive response based on the accumulation of purchasing experiences. At this higher level of trust, the potential customer can be said as the loyal customer [10]. However, trust is not a perpetual property [11], and everything can change dynamically. Thus, it is a demand for the sellers to maintain and develop their trustworthiness to conserve sustainable customer and potential customer purchase intention.

E. The Price Premium

After the seller has successfully building their online trustworthiness to make their customer loyal. At least, the transaction-specific risks were reduced [2]. Where, in that situation, there is an opportunity for the seller to think about pricing strategy. Since, solid foundation of trust is the basis of customer satisfaction, and there are various efforts to keep them work well. Therefore, that is reasonable for the seller to marking up their products and services sold at a higher price [12].

F. Kaskus as Online Laboratory

Why kaskus.co.id? The answer to the question can be varied. However, our primary concern using kaskus.co.id as experimental research lab, because there was a chance for us to abusing their user reputation ranking mechanism. In kaskus.co.id there are a Good Reputation Point (GRP) and a Bad Reputation Point (BRP) to represent the member reputation. The member GRP's or BRP's obtained from another member as a response to member behavior in the kaskus environment. A BRP gifted to the member who was misbehaving in the community, and GRP is for the member who behaves well. The kaskuser (a term for kaskus member) can give reputation point if they have reached two thousand (2000) confirmable postings at the minimum. Normally, to get excellent reputation points, kaskuser do a GRP barter, but there is a quota for limit the reputation exchange (1-5 GRP's or BRP's per day depending on cumulative member postings). Therefore, it is very difficult to have an excellent reputation in a few days. Where, user tag has given by the system according to cumulative postings described in Table I.

TABLE I. KASKUSER RANKINGS BY AMOUNT OF POSTS [source: permalink [1]]

No.	Amount of Posts	Member Ranks
1.	0-99	Newbie
2.	100-499	Kaskuser
3.	500-749	Aktivis Kaskus
4.	750-999	Kaskus Holic
5.	1,000-3,999 (can give GRP/BRP to other member)	Kaskus Addict
6.	4,000-9,999	Kaskus Maniac
7.	10,000-24,999	Kaskus Geek
8.	25,000-49,999	Kaskus Freak
9.	≥50,000 posts	Made in Kaskus

And then, in Table II are represented reputation points available in kaskus.co.id.

TABLE II. REPUTATION POINTS SYSTEM IN KASKUS.CO.ID [source: permalink [1]]

No.	(good) Reputation Points	Description
1.	10-49 points	Bahasa Indonesia: *User sedang berada di jalan yang benar.* English: User is in the right paths.
2.	50-149 points	Bahasa Indonesia: *User akan menjadi terkenal.* English: User will be famous.
3.	150-249 points	User has a spectacular aura about

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[1] **Permalink on Google Drive Clouds**:
https://drive.google.com/folderview?id=0B9h7evDeZFeeYW04QnRFOURX VG8&usp=sharing

TABLE II. REPUTATION POINTS SYSTEM IN KASKUS.CO.ID
[source: permalink [1]]

No.	(good) Reputation Points	Description
4.	250-349 points	User is a jewel in a rough
5.	350-449 points	User is just really nice
6.	450-549 points	User is glorious beacon of light
7.	550-649 points	User is a name known to all
8.	650-999 points	User is a splendid one to behold
9.	999-1,499 points	User has much to be proud of
10.	1,500-1,999 points	User has a brilliant future
11.	≥2,000 points	User has a reputation beyond repute

Fortunately, the GRP or BRP can be obtained illegally. There are several underground merchants offering their service to boost up member reputation points. The service rates described in Table III.

TABLE III. PURCHASABLE REPUTATION POINTS

No.	Number of Reputation Points (GRP or BRP)	Prices (in Indonesian Rupiahs IDR)
1.	+100 points	50,000
2.	+500 points	200,000
3.	+1000 points	370,000
4.	+1500 points	500,000

Finally, as an example of experimental preparation, we already purchased 500 Reputation points. The evidence can be seen in Fig. 1 and Fig. 2. With the additional five hundred (500) reputation points value for IDR200,000, currently our user account have six bars of Good Reputation Point (GRP). Through that points, our user account now ranked as "*user is a glorious beacon of light*". Later experiments, we will use some combination of trade reengineering. For example, a user who has a good reputation will be applied to sell used product such as BluRay disk PlayStation 3 games with a payment system using the direct bank to bank transfer method. Then we will compare it by the same used product selling (the BluRay PlayStation 3 games), using a user account who does not have a reputation at all, yet the payment system will using a third party payment method such as Escrow/RekeningBersama or on the site payment method like Cash on Delivery (COD). The used product such as BluRay PlayStation 3 game is one example of a product that is quite risky to bought via online transaction. Because, there is no product warranty and the selling price can not be said as a cheap product. As an example, the sale price of Grand Theft Auto (GTA) V (used product in good condition) on ebay.com currently are ranged between IDR150,000-IDR300,000. Moreover, in the Indonesia marketplace, that product still has a sticker price on the interval of IDR200,000-IDR325,000. Therefore, traders commitment to sell a good quality used product is very expected.

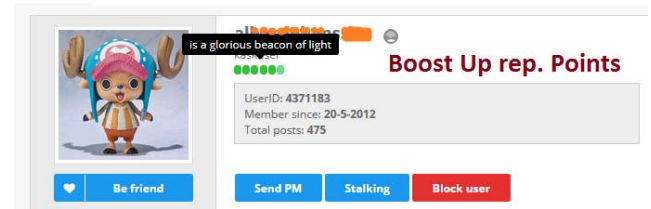Fig. 1. Payment proof for reputation points transaction

Fig. 2. Our specimen of kaskus.co.id account for experimental scenario

One good way to showing their kindly commitment is to provide a personal guarantee to the buyer as a warranty that the product offered is still running well and undamaged. Because without an excellent seller integrity, in the end the consumers are the harmed victim from a dishonest transaction, if they are should receive a poor quality of used product. For example, recently in Indonesia occurred some online fraud cases that involve a giant B2C e-commerce platform like Lazada Indonesia. Where, in that case, the irresponsible party exploits a process vulnerability in lazada.co.id by sending a body soap

product toward an order of iPhone 6 smartphone (1st Case [2]). Also, in other cases, fraudster sent a 'kispray' on an Asus Zenfone smartphone order (2nd Case [3]). Fortunately, thanks to the business process, integrity, reliability, and good responsibility of Lazada Indonesia to overcome these cases by delegate their CEO to accomplish the product shipment directly to their customers. Now the cases are resolved and the fraudsters are already in the custody of Indonesian Police. The fraud cases can occur in every situation even in a giant e-retail business platform like Lazada. We can imagine how that risky situation are exists in C2C platform? Of course, this condition is a such situation that is being faced by Indonesia people to look for problem-solving solutions. From the engineered trading design in this proposal, that will be known the significance role of e-image on virtual e-commerce transactions. Similarly, that will be revealed the meaning of the online reputation ranking system. Whether the higher reputation ratings represent the integrity and the reliability of the online business performers?

III. RESULTS AND DISCUSSIONS

The original research model by [2] is described in Fig. 3. Where, the results stated positive e-image are correlated with the customers intention to do online purchases. Moreover, the well-known, familiar, and trusted online business performers have an opportunity to set their label prices higher than competitors. Based on [2] recommendations for future research, we are modifying the original concept by adding RTOSA's as a moderating variable.
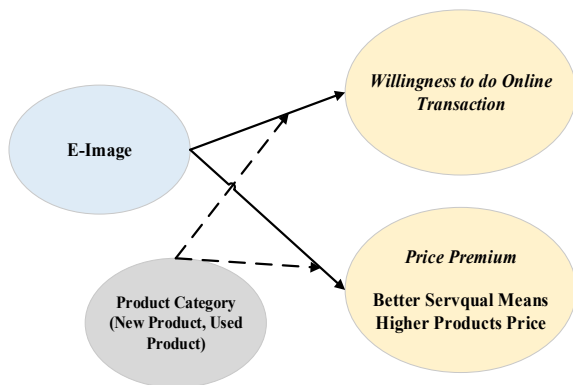
recommendations from the salesperson as one form of consumer confusion reduction strategy (CRS), increasing the customer confidence to make a final decision. Therefore, using previous Gregg and Walczak [2] model as a foundation, there is an opportunity to test RTOSA's effects to drive customer willingness to do online purchases in consumer-to-consumer (C2C) based market environment. We want to compare the market response towards the seller quality of services through computer-mediated communication mechanism. As for, the proposed hypotheses will be tested in our future research are:

- H1   : E-Image positively related towards the consumer willingness to do online transaction.

- H2   : E-Image positively related towards the price premium.

- H3a   : A high-risk product sale will bring the higher relationship between e-image and consumer willingness to do online transaction.

- H3b   : A high-risk product sale will bring the higher relationship between e-image and seller capability to conduct pricing premium.

- H4a   : Real-Time Support Assistance is a booster to build a preponderant relationship between e-image and consumer willingness to do online transaction.

- H4b   : Real-Time Support Assistance is a booster to build a preponderant relationship between e-image and seller capability to conduct pricing premium.

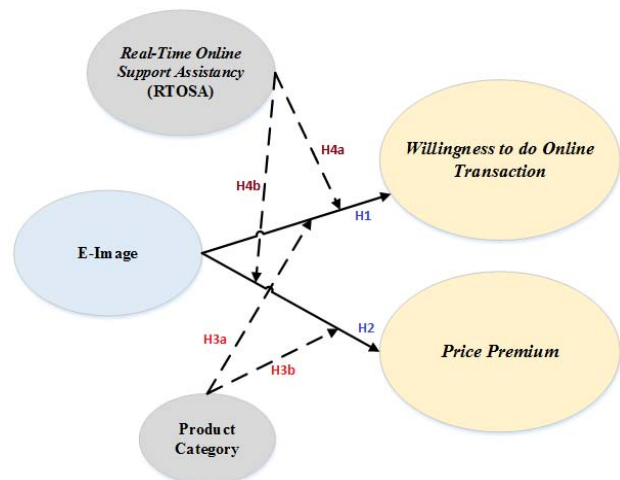Then, the modified research model can be seen in Fig. 4.

Fig. 3. The original research model by Gregg and Walczak [2]

Fig. 4. The proposed research model in this study

The idea of RTOSA has conceptualized in previous study by [6]. Where, based on research findings on [5], the salesperson support is very influencing towards customer final purchase decision. It is caused, the suggestions or

IV. CONCLUSION

The main contribution of this study was the thought about e-image concept testing in the different market environment and heterogeneous socio-cultures. The previous version regarding e-image study by Gregg & Walczak [2] earned the empirical facts that e-image factor was presenting an enormous benefit for the business. In other words through an e-image

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[2] Permalink on Liputan6.com for 1st case:
http://tekno.liputan6.com/read/2264241/lazada-tuntaskan-kasus-beli-iphone-dapat-sabun
[3] Permalink on Liputan6.com for 2nd case:
http://tekno.liputan6.com/read/2269314/lazada-sudah-temukan-pelaku-kasus-beli-smartphone-dapat-kispray

asset, it could enhancing consumer purchase intention. Then, that is an advantage for the business performers to define a pricing standard higher than their competitors. Based on research findings by [2], we think that western society had been much experience and also had an excellent knowledge of online transaction. Thus, there is a tendency either for customers and potential customers to trust the reputation ranking system that available in the western e-marketplaces. Furthermore, a well-designed of institutional mechanism architecture, a secure online transaction conducted by third-party safeguarding mechanism, and the availability of a qualified consumer protection bureau, are the important factors supporting the creation of high integrity trading activities in the western hemisphere. Unfortunately, in Indonesia there are not too many regulations that are setting up, maintaining, and overseeing the business activities on e-commerce transactions. The concept regarding the good systems and mechanisms governance are still quite new. There are many vulnerabilities to exploit the values of integrity in business. As an example, the reputation ranking system that can be manipulated easily (see the evidence in Fig. 1 and Fig. 2). Moreover, also, there is still confusion from our government to regulated the concept of digital business. The Directorate General of Taxes, Indonesia Ministry of Finance [13] categorized the e-commerce transactions model into four sections. Consist of (1) online marketplace, (2) classified ads, (3) daily-deals, and (4) online retail. Although, in the present day, there is a hybrid mechanism for e-commerce business model, kaskus.co.id as our selected online experiment laboratory, categorized as classified ads by the Indonesia E-Commerce Association (IDEA). The reason is, at the beginning of kaskus.co.id, it constitutes online citizen journalism forum. Over time, following to the increasing number of its users, kaskus.co.id launched their Forum Jual-Beli (FJB) feature. Where, the new business model is to provide Indonesian online community to do independent trading while socializing online. However, unfortunately, kaskus.co.id is not a third-party safeguarding institution. Meant, all the transaction mechanisms conducted by the members are not under the responsibility of kaskus.co.id, so there is no buyer or seller protection policy issued by the institution. Therefore, the IDEA specified kaskus.co.id into classified ads e-commerce business model. Nevertheless, the Indonesian government together with the society not only keep standing in the silence. In addressing this issue, our government recently develop a Draft of Government Regulation (Rancangan Peraturan Perundangan/RPP) on Trading Through Electronic Systems (Transaksi Perdagangan Melalui Sistem Elektronik/TPMSE). The draft legislation that seeks to combat one of the cyber fraud crimes by requiring all businesses who want to run online commerce activities must have a business license (Surat Izin Usaha Perdagangan/SIUP). In other words, at this time the Indonesian government is doing a great leap in the development of online trust building via the implementation of Structural Assurances (SA). To take an advantage of the uncertain situation and condition of online transactions in Indonesia (before the government launched their TPMSE act). Through this study, we sought to learn and know the pattern of Indonesian people perspective on e-image factors in digital business. As for, this study is still a conceptual plan to conduct further research in the very soon. The strengths of this study are to modify and apply previous research model by Gregg & Walczak in the market ecosystem that still in wildness and not yet sufficiently restrained. Where the results are expected in the experimental test would later contribute to the broader view of the digital economy in Indonesia. Furthermore, the trading and networking activities in kaskus.co.id brings new cultures within its member. The emerging new creative terms and jargons of online slang like "pertamax", "juragan", "cendol ijo-ijo", and "RekBer" make kaskuser (kaskus.co.id users) have their identity. Moreover, their culture strengthens multichannel (both online and offline) relational bonds and naturally developed as a national cultural identity in the online environment [7]. Those reasons intensify our desires to conduct the real experimental trading test within kaskus.co.id to gather more accurate research findings and produced higher scientific contributions.

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