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Customer Response Index Analysis and Effectiveness of Social Media Marketing (A Study on Buying Behaviour at Shopee in Kediri, East Java, Indonesia)

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Abstract

The emergence of social media is a new marketing media that can be used to build interaction with consumers, so it called as social media marketing. A shift in online behavior that occurs in the middle of the Indonesian society today, used by one of the online shopping site or E-Commerce named Shopee for promotion through social media which. Shopee is a marketplace that is currently a trend in Indonesia, many people who take advantage of promotional opportunities through social media. It is including Shopee which present to enliven the mobile segment of the marketplace through mobile applications to facilitate the sale and purchase transactions via mobile devices. Kediri is one of the small city in East Java. Kediri city does not have many shopping centers. for this reason many people in Kediri prefer making purchases online because there are more choices of products depend on what they need and one of the online shopping application they used is Shopee. The objective of this study is to analyze the effectivity of Social Media Marketing into Customers' Willingness to buy Shopee using Customer Response Index (Study on Shopee Users in Kediri, East Java, Indonesia). The population in this research is Kediri society with criteria: female and aged between 20-34 years old. From the total population (33.882 people), sample determined 100 people with standard error 10%. This study used descriptive data analysis and cross tabulation (crosstabs). Data obtained from the questionnaires are translated descriptively using models and analysis tools according to indicators of the effectiveness of advertising messages, ie awareness, comprehend, interests, intentions, and actions in the Customer Response Index (CRI). Based on the results of the overall stage CRI responses obtained from this research, we can see that the responses were quite high in the overall CRI response phase, starting from awareness (87%), comprehend (96,9%), interest (71,2%), intentions (68,1%), and action (87,2%). Effectiveness of the performance provided by Shopee has exceeded the average value (50%) of consumer expectations. CRI results at each stage of response in this study, showed that all stages of the response value is nearly 100%. It can be concluded that the social media marketing has positive effect, which is to get consumers willingness and interested in making a purchase.

Keywords: Effectivity, Social Media Marketing, Shopee, Customer Response Index (CRI)

Introduction

Functions and benefits of the Internet is simply a medium of communication, information access, sharing resources or data, in this case means that internet can broadcast and directing access to news information and exchange data with Internet access online all over the world without any restriction area geographically from each user.

Social media is part of the Internet, which is a group of Internet-based applications on the basis of ideology and web 2.0 technologies, which enables the creation and exchange of content between users (Kaplan & Haenlein, 2010:61). Social media is the most effective promotional tool in present because of social media users in Indonesia is increasing in number, evidenced by the increasing the use of Internet. In Indonesia, based on the research by the Association of Indonesian Internet Service Provider (APJII) in collaboration with the University of Indonesia, recorded that there are 88.1 million active internet users, continue growing from 16.2 million to 71.9 million, or in other words there is about 34.9% penetration. The majority of internet users are Reviews those aged 18-25 years with the main reason surfing in cyberspace is to open the following social networks for the purpose of seeking information and online conversations.

A shift in online behavior that occurs in the middle of the Indonesian society today, used by one of the online shopping site or E-Commerce named Shopee for promotion through social media. Shopee is a marketplace that is currently a trend in Indonesia, many people who take advantage of promotional opportunities through social media. It is including Shopee which present to enliven the mobile segment of the marketplace through mobile applications to facilitate the sale and purchase transactions via mobile devices. Currently Shopee application has been available for devices with Android and iOS operating systems. Basically, Shopee provides online marketplace platform that bridges buyers and sellers to facilitate buying and selling online via their mobile devices. Shopee itself seems to be an extension of Garena for venturing into e-commerce segment. Indeed, Shopee not only presents in the Indonesian market, but has been present in Malaysia, Singapore, and Vietnam. Referring to their Facebook page, Shopee entered Indonesian market in May 2015 ago.

Early February, Shopee launched free shipping to all over Indonesia. Service in cooperation with the JNE got a very good response from the users of both the buyer and the seller. Rainal Lu, Regional Managing Director Shopee said that since the launch of the free shipping, the growing number of users both sellers and buyers are very rapidly. In many parts of Indonesia, Shopee recorded growth in the number of users doubled. Yogyakarta, for example, has increased the number of users up to 308%, while the various regions outside Java, the average growth are more than doubled. Seeing the good response from the public, Shopee decided to extend their service. This decision was taken as a continuation of the Shopee vision and mission to be the best marketplace for SMEs in Indonesia, especially those located in remote areas. Growth is not only for Shopee owner, but also the seller who sell their goods in Shopee. In less than one month, the vendors who participated in the program average gain new customers and increasing the district of 170 sales transactions by

60%. This number will continue to grow with targeted prolongation free shipping program until the time limit has not been determined. Thus, there will be more users who could benefit from this. This development cannot be separated from the loyalty of Shopee to promote their vendor through social media platforms.

The Measurement of effectiveness of social media marketing is very important to investigate. In this study, researchers chose Customer Response Index (CRI) as an analytical tool. CRI was developed by Roger Best as measure the effectiveness of advertising using response-audience response as the indicator. The elements of the response in the CRI is the awareness, comprehend, interest, intention, and action. In CRI, this response all are interconnected and in the form of level or hierarchy. That is, the audience in the ad cause a response is to pass level by the level of response ranging from awareness as a basic response.

The first previous studies is journal by Aiwan (2013) entitled “The Effectivity of Television Advertising Message of Tresemme using Customer Response Index Analysis” the result shows that TRESemme television advertising messages on women in Surabaya contain advertising messages that can attract attention, more in generate curiosity, gives rise to desire, and stimulate action. The advertising message has also reached, even exceeded expectations or objectives for advertisers, which are companies. Hence then it can be stated that the message of this TRESemme television advertising is effective. The second previous studies is research by Ernestivita, Gesty and Aliami, Sri (2016) entitled “Television Advertising Effectiveness Analysis in Teh Botol Sosro Tagline using Customer Response Index (Study in Economic Faculty Students, Universitas Nusantara PGRI Kediri)” and the result shows that the performance of tagline effectiveness provided by the Sosro Company has exceeded the average value of consumer expectations. CRI results at each stage of response in this study, showed that all stages of the response is nearly 100%. It can be concluded that the tagline is a positive effect, namely to get conscious consumers that are interested in making a purchase.

Objectives

To analyze the effectivity of Social Media Marketing into Customers' Willingness to buy Shopee using Customer Response Index (Study on Shopee Users in Kediri, East Java, Indonesia).

Literature Review

Social Media Marketing

Kaplan and Haenlein defines social media as a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content (Kaplan & Haenle, 2010:61).

Social media marketing is as a process that empowers individuals and companies to promote products or services online and through social channels to communicate with a much larger community that may not be available through traditional advertising channels (Drury, 2008: 274).

Customer Buying Willingness

Definition of buying willingness by Howard (1994) in (Durianto and Liana, 2004: 44) is the buying interest in something that relates to consumers plan to buy a particular product as well as how many units of the product is needed at a particular period. It can be said that buying willingness is mental statements of consumers who purchase plan reflects a number of products with a particular brand.

Customer Response Index (CRI)

Customer Response Index (CRI), is the basis for the development of research methods Hierarchy of Effects for measuring the effectiveness of advertising to the audience in the form of percentage of the overall audience.

According Durianto, et al (2003:50), CRI is the multiplication of numbers Awareness, Comprehend, Interest, Intention and Action. Given to the audience after seeing an ad that is being researched based indicators in CRI. CRI showing the process of the final form of purchases that originated from the emergence of awareness of an ad. The following stages in response hierarchy CRI:

1. Awareness, creating awareness of a brand in the minds of consumers. High Brand Awareness is the key to opening the achievement of a strong brand equity.
2. Comprehend, consumer understanding will be a brand. Factors that are supporting the stage of understanding is the marketing communication strategy and the frequency of ad impressions.
3. Interest, consumer interest in a brand, supported by factors insufecient benefits, high price, poor and copy.
4. Intentions, consumer intentions to buy a product, backed by a factor of the value of products that can be tried, or the risk of product usage.
5. Action, action by the consumer to buy a product, supported by the availability can buy the product.

CRI produces advertising effectiveness percentages of various levels. Different levels of advertising effectiveness can be measured through the stages of CRI. Here are the stages of CRI and its method of calculating the percentage (Best, 2012:96):

1. Unawareness
2. No Comprehend = Awareness x No Comprehend
3. No Interest = Awareness x Comprehend x No Interest
4. No Intentions = Awareness x Comprehend x Interest x No Intentions
5. No Action = Awareness x Comprehend x Interest x Intentions x No Action
6. Action = Awareness x Comprehend x Interest x Intentions x Action

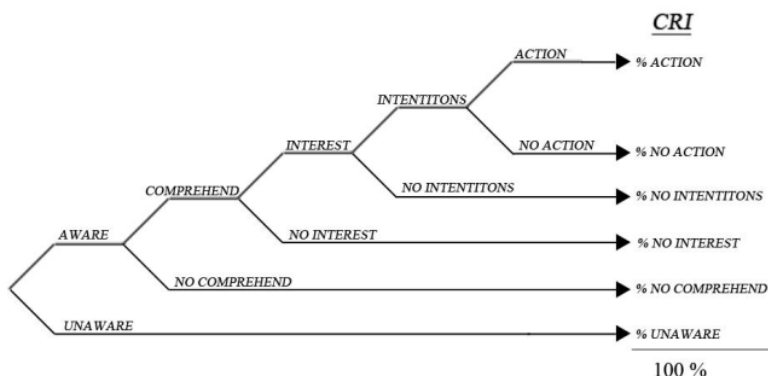


Figure 1
 Model *Customer Response Index* (Best, 2012:96)

Research Methodology

Population and Sample

The method used in this research is a survey research methods. The survey itself defined by Neuman (2012:172) as the research methods used to obtain information about the social world. Survey methods used to inquire attitudes, opinions, characteristics, expectations, classification, and knowledge of the community - which in the survey method is referred to as the respondent. Indicators in this study in accordance with Customer Response Index (CRI), which is awareness, comprehend, interests, intentions, and actions.

The population in this study is Kediri society with criteria: female and aged between 20-34 years old. Limitations in this population as determined in accordance with the goals of online shopping sites. The number of women aged 20-34 years Kediri city amounted to 38. 882 people (www.depkes.go.id). Of the total population, the number of samples is determined based on a calculation using the formula by Djarwanto (2000: 159) with a standard error of 10%, generated total membership of 96.04 samples subsequently and rounded to 100 people. In this study the researchers chose the type of quota sampling. Quota sampling is a technique for determining a sample of the population that have certain characteristics to the number (quota) is desired. If data collection is not based on the quota, then the study is deemed not finished, because not meet the prescribed quota (Sugiyono, 2012: 85).

Data Analysis

This study used descriptive data analysis and cross tabulation (crosstabs). Data obtained from the questionnaires are translated descriptively using models and analysis tools according to indicators of the effectiveness of advertising messages, ie awareness, comprehend, interests, intentions, and actions in the Customer Response Index (CRI). Furthermore, cross-tabulations (crosstabs) used to view the data and explain the findings linkage data.

Finding

Based on the results of the data that was distributed to 100 respondents, CRI result shows as follow:

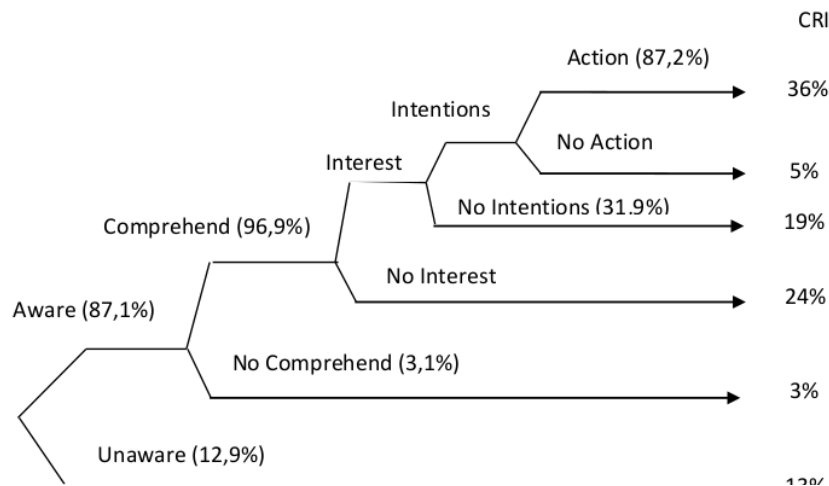


Figure 2

Customer Response Index (CRI) of Customer's Willingness to buy in Shopee

Based on the model of CRI above, we can see the results of their respective percentage of respondents in each phase of CRI responds and five stages of the response values above 50%. Phase response of awareness where the first stage, as many as 87,1% of the respondents aware of making purchase in Shopee, while as many as 12,9% of respondents are not aware (unawareness) buy in Shopee. At comprehend response phase, as many as 96,9% of respondents were familiar with Shopee, while the remaining 3,1% of the respondents do not understand. Interest in the response phase, as many as 71,2% of respondents expressed interest in understanding what is offered in the ad of Shopee application, while the remaining 28,8% of the respondents are not interested. At the stage of intentions, as much as 68,1% of respondents were interested in states that are interested in what is on offer in the ad Shopee application, while the remaining 31,9% of the respondents are not interested. The last stage response is action, as many as 87,2% of respondents were interested bought in Shopee application, while the remaining 12,8% of respondents did not.

The results of the percentage of each phase of the response CRI is processed through the following calculation formula (Main, Andadari and Matruty, 2009):

1. Unawareness = Percentage of respondents unawareness
= 13%
2. No comprehend = Awareness x No. comprehend
= 87,1% x 3.1%
= 3%
3. No Interest = Awareness x Comprehend x No Interest
= 87,1% x 96,9% x 28,8%
= 29%
4. No Intentions = Awareness x comprehend x Interest x No Intentions
= 87,16% x 96,9% x 71,2% x 31,9%
= 19%
5. No Action = Awareness x Comprehend x Interest x Intentions x
No Action
= 87% x 93.1% x 91.4% x 83,8% x 25.8%
= 16%
6. Action = Awareness x Comprehend x Interest x Intentions x
Action

$$\begin{aligned} &= 87\% \times 93.1\% \times 91.4\% \times 83.8\% \times 74.2\% \\ &= 46\% \end{aligned}$$

Based on the existing hierarchy of effects, it appears that effective advertising is advertising that can make the audience as consumers pass through several stages of response, ranging from awareness (consciousness) to the real action. Based on the results of the overall stage CRI responses obtained from this research, seen the responses were quite high in the overall CRI response phase, starting from awareness (87%), comprehend (96,9%), interest (71,2%), intentions (68,1%), and action (87,2%).

Through the process of calculating the CRI formula, in the response phase comprehend until action cuts. This is due to the presence of the respondent that no comprehend by 3,1%, no interest at 28,8%, no intentions of 31,9%, and no action by 12,8%. The final result obtained CRI at stage of action, by 87,2%. Action phase result value is 87,2% indicates that the respondents had been exposed to the effects of stimulus response in which the effects of stimulus response is ended on actions which is purchase.

The social media marketing is also quite effective in persuade his audience starting from the cognitive phase response CRI; awareness (consciousness) and comprehend (understanding), affective phase response CRI is interest and intentions, conative (individual doing something recommended by the ad) which at that stage CRI response action (action).

Conclusions

Based on the findings of the questionnaire data on the effectiveness of social media marketing, it can be concluded from this study that the effectiveness of the performance provided by Shopee has exceeded the average value (50%) of consumer expectations. CRI results at each stage of response in this study, showed that all stages of the response value is nearly 100%. It can be concluded that the social media marketing has positive effect, which is to get consumers willingness and interested in making a purchase.

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