

Elevating Consumer Decision Journey to Increase Consumer Loyalty in Tokopedia and Shopee for PT. SNACK LEZAT Products

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Abstract. *Southeast Asia region's digital service growth trend is accelerating, with 60% of new digital users joining in the previous two years. This has an effect on e-commerce sales, which have risen quickly in recent years and are expected to rise further. Edible groceries in Indonesia are expected to increase with compounded annual growth rate 16.9% between 2022 - 2027. This growth is in line with the retail evolution from traditional market, modern market, to digital market PT. SNACK LEZAT is a global snack company and currently is focusing on e-commerce channels that still in an early stage of development and the sales are largely dependent on promotional periods. This research aims to identify the stages of the consumer decision journey to loyalty, so the right marketing strategy can be formulated and increase the repeat buyers to create a higher and sustained sales baseline. This research methodology was carried out using qualitative in-depth interviews and netnography. In-depth interviews were conducted with eight respondents, four of whom had purchased PT. SNACK LEZAT and four of whom had never purchased PT. SNACK LEZAT product. Netnography is carried out using the word cloud analysis based on product reviews in Shopee and Tokopedia platforms. The findings of this study reveal the expectations of each stage in consumer decisions journey to determine purchases on e-commerce platforms.*

Keywords: *Consumer decision journey, consumer loyalty, e-commerce, in-depth interview, netnography*

1. Introduction

The digital consumption culture in Southeast Asia has been deeply ingrained and accelerated due to the pandemic. Usage and spending on digital services have increased, with e-commerce, food delivery, and digital financial services being key growth drivers. Investment activity has increased significantly, with the region predicted to reach \$1T GMV by 2030 [I. (n.d.)]. Digital retail is disrupting the traditional pattern of market development in Southeast Asia by accelerating the pace of change and blurring the lines between retail generations. This shift is enabling consumers to have their first experiences with modern retail through digital models rather than chain stores. Online grocery sales in Southeast Asia are expanding rapidly, with Indonesia being the largest market and one of the fastest growing [Rosário, A., & Raimundo, R. (2021).

The e-commerce landscape in Indonesia is comprised of five subchannels: pureplay, omnichannel, Q-commerce, D2C, and social commerce. Pureplay is the most important subchannel, and leading pureplay operators are investing heavily in anticipation of future growth [Edge. (2022).]. PT. SNACK LEZAT is attempting to keep the top spot in these pureplay accounts by concentrating on propelling demand with efficient execution. In order to reach this goal, PT. SNACK LEZAT needs to comprehend online customer behavior to open growth possibilities in the biggest Indonesia e-commerce marketplace, particularly in Tokopedia and Shopee. The interview with the sales modern trade director of PT. SNACK LEZAT reveals that the e-commerce channel is in an early stage of development and the sales are largely dependent on promotional periods. The company aims to increase repeat buyers to create a higher and sustained sales baseline in

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e-commerce. To increase sales in non-promotional periods, PT. SNACK LEZAT should focus on implementing effective

marketing strategies, increasing product visibility, and improving consumer experience.

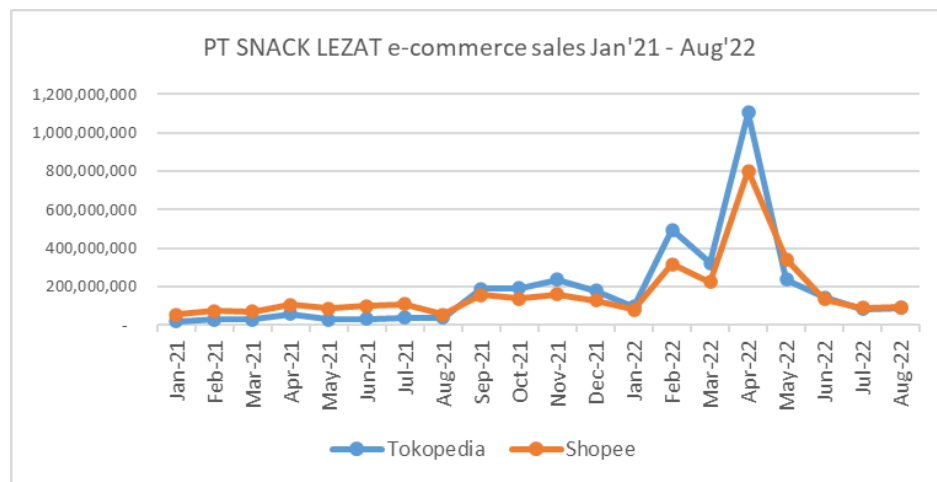


Figure 1.
PT. SNACK LEZAT E-commerce Sales

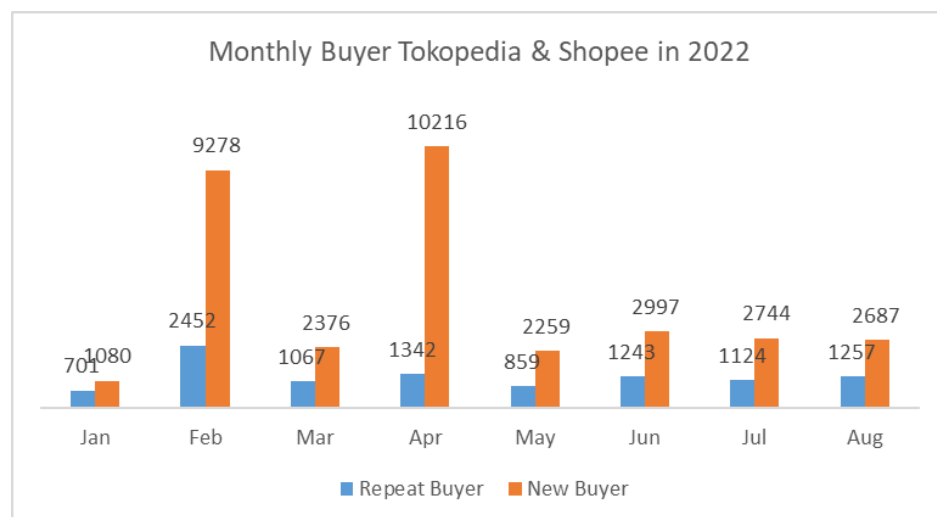


Figure 2.
Monthly Buyer Tokopedia & Shopee for PT. SNACK LEZAT

In line with the sales trendline in 2022, there also a significant incremental of new buyer during Valentine (Feb) and Festive period (Apr) due to mega campaign activation. There is also an increasing trendline on new buyer, however the repeat buyer remains constant. PT. SNACK LEZAT aim to increase the repeat buyers to create a higher and sustained sales baseline in e-commerce. The scope of this research is only for PT. SNACK LEZAT sandwich cookies product in e-commerce Tokopedia and Shopee. This research has a budget constraint and is limited to understand

the consumer decision journey and customer loyalty of online purchases for PT. SNACK LEZAT sandwich cookies product in e-commerce Tokopedia and Shopee.

2. Literature Study / Hypotheses Development

A. Consumer Decision Journey

In order to maximize the chances of making a sale, companies must understand the

sequence of actions taken by consumers when making a purchase. Kotler and Keller explain that the buying process consists of five steps: problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior.

Marketers must tailor their strategies to reach consumers at each stage of this decision-making process [Kotler, P., & Keller K. L. (2016)].

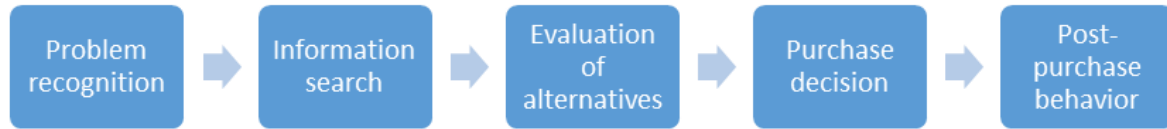


Figure 3.
Consumer Buying Decision Process

As online shopping becomes more commonplace, competition is just a few clicks, swipes, or taps away. This has had a major impact on the way in which people shop, so marketers must now understand what drives customer decisions and how to influence the journey [Kurniawan, Y., et al. (2020)]. This has altered the traditional sales funnel model, which assumed that the buying process progresses in a linear fashion from discovery to loyalty. In reality, customers make choices and evaluate criteria in a much more

complicated manner. Ten years ago, McKinsey experts identified this need to understand customer behavior and developed a strategy called the consumer decision journey. The decision-making process is now a circular journey with four phases: initial consideration; active evaluation, or the process of researching potential purchases; moment of purchase, when consumers buy brands; and postpurchase, when consumers experience them [Court, D., Elzinga, D., Mulder, S., Vetvik, Ole. (2019)].

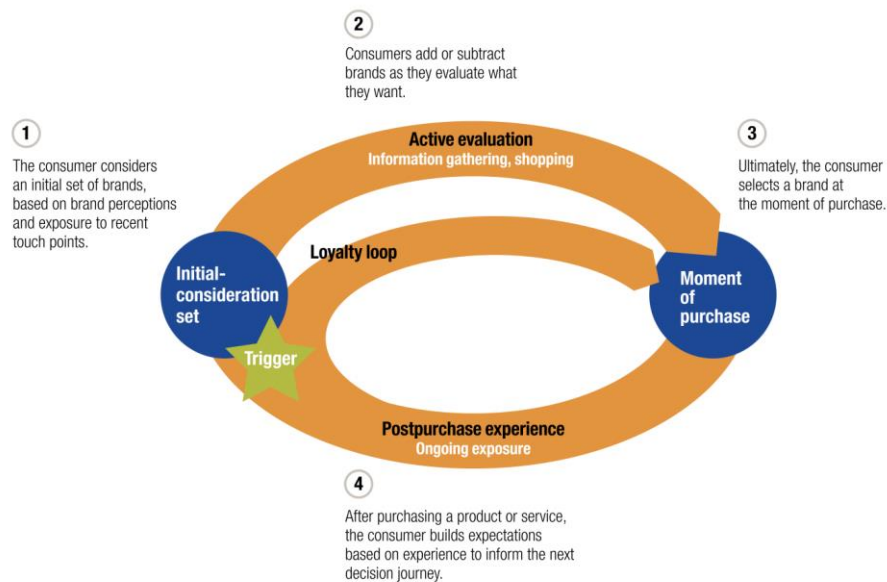


Figure 4.
McKinsey Consumer Decision Journey

B. E-commerce Flywheel

In the early stage of e-commerce flywheel there are three main strategy: product presence, demand generation, and metrics & analytics. Product presence includes providing

detailed product content to retailers, demand generation involves using various methods to drive shoppers to product item pages, and metrics & analytics involve tracking different areas to understand how the business is

performing [Feinleib, D. (2017)]. PT. SNACK LEZAT devised their own flywheel to comprehend the touchpoints in the e-commerce realm. This e-commerce flywheel serves as their strategic model to boost e-commerce sales. It is composed of five levers: assortment, availability, search, content, and activation. The first step to success in e-commerce is optimizing the online assortment with the right packs at the right price. This is done through creating a must stock list and examining performance at every

level. The second step is guaranteeing that products are consistently in-stock and accessible for purchase. The third step is making sure that shoppers can easily find the brand online through search. The fourth step is ensuring that the brand is correctly represented online via digital shelves, ratings, and reviews. The last step is activating the flywheel which entails getting the brand's message and promotions in front of customers to drive conversions [PT. SNACK LEZAT. (2022)].

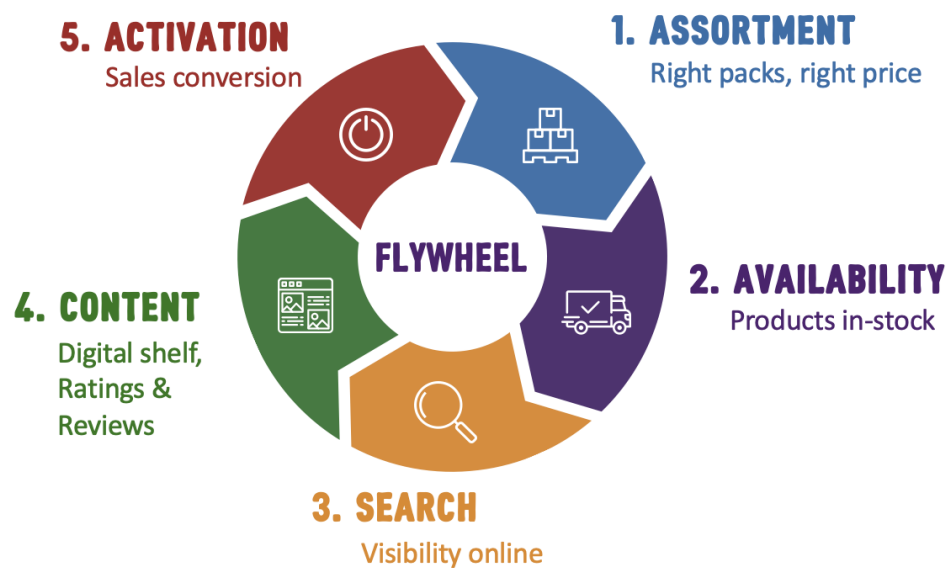


Figure 5.
E-commerce Flywheel

The conceptual framework is attained by giving a structure that organizes the currents of thoughts that provide focus and direction to an investigation [Rallis, S.F. & Rossman, G. B. (2012)]. In this study, the conceptual framework is constructed based on McKinsey Consumer decision journey with the three phases: trigger – initial consideration, active evaluation – moment of purchase, post purchase experience – loyalty. The first phase trigger – initial consideration is affected by planned and unplanned purchase. The second phase is active evaluation – moment of

purchase will be explained further with PT. SNACK LEZAT e-commerce flywheel as the framework that comes with five key levers assortment, availability, search, content, activation. The third phase is post purchase experiences – loyalty comes from consumers review and feedback [Ranabhat, D. (2018)]. These three phases of journey combined will explain the attributes that affect consumer decision journey in online e-commerce purchases. This conceptual model will be used throughout this study.

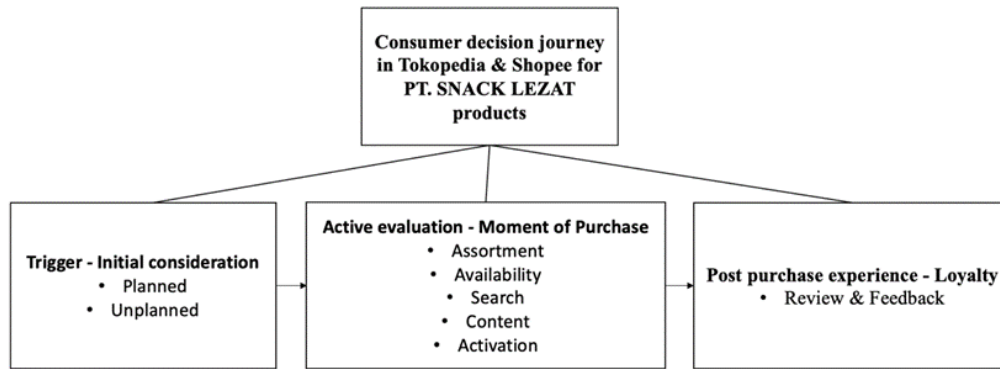


Figure 6.
Conceptual Framework

3. Methodology

The author expects to gain insights from these interviewees about their shopping journey and decision-making process that may impact to the consumer loyalty. The methodology used for this final project is a direct approach to qualitative research using in-depth interviews and netnography.

A. In-Depth Interview

In-depth interviews are a qualitative research methodology used to collect data from a small number of respondents [Malhotra, N. K. (2019)]. It is used to gain a deeper insight into the attitudes and opinions of participants by engaging the respondent in an extended conversation. This conversation allows the researcher to explore the participant's feelings and experiences in greater detail, and ultimately combine mental maps of similar consumers to identify reasons for purchasing particular products [Creswell, J. W., & Creswell, D. J. (2018)][Mears C. (2017)].

This data is collected directly from first-hand sources by the researcher. In this research, the author gathers data from selected eight participants using in-depth interview that divided into two groups with the following conditions:

- Age: 19 – 35 years old
- Gender : Male and Female
- SES: Upper & Middle
- Location: Jakarta and Greater Jakarta area
- Criteria: Frequently purchase their current

snacks in e-commerce at least 2 times in the past 3 months

- The participants are divided into two groups:
- Group 1: Past 3 months purchase PT. SNACK LEZAT biscuits category in online platform
- Group 2: Do not purchase PT. SNACK LEZAT biscuits category but purchase another category in online platform

These participants criteria were chosen based on the importance of business contribution in the Greater Jakarta area and the target market of Brand X.

B. Netnography

Netnography is a method of qualitative research that involves the collection, analysis, and interpretation of online data [14]. In this research, the information will be collected from PT. SNACK LEZAT product review on Tokopedia and Shopee and analyzed using word cloud. Word cloud analysis is a popular form of netnography that allows researchers to analyze the content of online conversations in order to gain insights into people's experiences, opinions, and perspectives. Through word cloud analysis, researchers can gain a better understanding of the topics and themes that are important to people who are engaging in Tokopedia and Shopee reviews.

In this research, the author has gathered data from 200 reviews data of PT. SNACK

LEZAT product each from Tokopedia and Shopee. The data was collected for netnography analysis to understand the customer feedback and perceptions on the quality of the product. The feedbacks were further analyzed through word cloud analysis to understand the customer satisfaction level and their overall experience of the product [Nelson, M. R., & Otnes, C. C. (2005)].

4. Finding and Discussion

A. Trigger – Initial Consideration

During pre-purchase consideration, most of the panelists are already aware of the brand or category they want to purchase. There are two kinds of pre-purchase initial considerations: planned purchase and unplanned purchase. In planned purchase, panelists are checking the household needs that runs out. “udah tau list nya mau beli apa aja misalnya butuh snack, alat mandi, tissue – IDI 7”. They also make a shopping list by talking to the family and checking on their needs. Besides that, they also have collected and wanted the products in shopping cart previously. In unplanned purchase, they accidentally saw the ads on TV or social media. “Kadang liat iklan kayaknya enak juga. Langsung cari – IDI 1”

B. Active evaluation – Moment of Purchase

1. Assortment

Assortment is considered important because that allows consumers to have the option to choose different sizes/variants/categories. Due to the duration and the cost of delivery in the marketplace, most of the respondents tend to purchase in more than one quantity in the same or various categories. They are also interested in purchasing bundled products if available. “beli susu atau kebutuhan dapur kayak kecap, saos, blue band sekalian aja kalau tokonya trust dan menyediakan banyak produknya – IDI 3”

2. Availability

Availability is important as respondents' purchases will be based on the products, both pack size and variants availability. If the variant or brand they want does not available,

some respondents will move to another flavor either with same or different brand in the same store and other respondents will move to another store. “kalau stock ga ada cari di toko lain – IDI 5”

3. Search

Panelists commonly search for items in e-commerce by category, by brand, or by going to their most recent purchase history. They frequently follow suggestions from "search autocomplete" or "branded search query" when searching by category. “Biasanya pas ngetik udah keluar langsung maunya apa langsung dipilih aja – IDI 4”

4. Content

Product content about expiry date, appearance, rating, and review are important to be provided in the description box to give assurance to consumers regarding the quality of the product. “Aku lihat juga tanggal kadaluarsa nya disitu untuk vitamin dan makanan – IDI 6”

5. Activation

The respondents in this survey have a high level of awareness of e-commerce events, such as double dates and Ramadan. Most respondents prefer to check the promotions page to see if there are any products they need, and they are likely to purchase those products. Pop-up banners are seen as bothersome, while Live Streaming Shopee is seen as appealing due to its discounts and bundling options.

C. Post – purchase experience loyalty

Based on the netnography using word cloud analysis, it suggests that users are mostly concerned with the speed, safety, and accuracy of the delivery, as well as the quality of the product and its packing. Overall, consumers have positive experience purchasing PT. SNACK LEZAT products through PT. SNACK LEZAT official store on Shopee and Tokopedia.

Word clouds are visual representations of text data that show the frequency of words used in a conversation. The larger the size of the

word, the more frequently it appears in the conversation. This method of analysis helps to identify popular topics and themes that are being discussed within an online community,

and can be used to gain insights into consumer behaviour and trends.

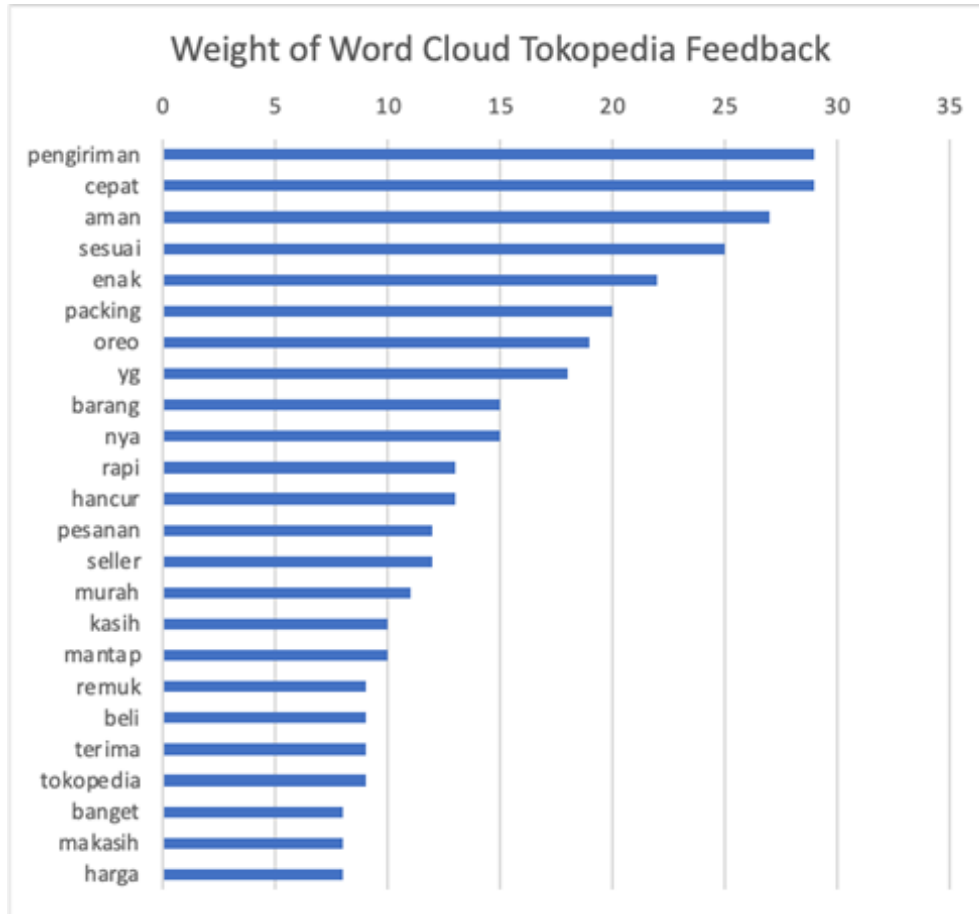


Figure 7.
Word Cloud Analysis from Tokopedia Review

In this study, the word cloud is based on the words and corresponding weights from the Tokopedia review of PT. SNACK LEZAT product. The results of the word cloud analysis show that the words “pengiriman”, “cepat”, and “aman” are the most common words used, with weights of 29, 29, and 27 respectively with other popular words

including “sesuai”, “enak”, and “rapi”. However, there are some negative words “hancur” and “remuk” with weights of 13 and 9. The results suggest that users are mostly concerned with the speed, safety, and accuracy of the delivery, as well as the quality of the product and its packing.



Figure 8.
Word Cloud Analysis from Shopee Review

From the Shopee review of PT. SNACK LEZAT product, it shows that the words “pengiriman”, “cepat”, and “sesuai” are the most common words used, with weights of 44, 36, and 34 respectively with other popular words including “enak”, “aman”, and “murah”. Besides that, there is also some negative words “remuk” with weight of 11. The results are similar from the previous analysis, it suggests that users are mostly concerned with the speed, safety, and accuracy of the delivery, as well as the quality of the product and its packing. Overall, consumers have positive experience purchasing PT. SNACK LEZAT products through PT. SNACK LEZAT official store on Shopee and Tokopedia.

5. Conclusion

According to this research, consumer decision journey for online shopping can be divided

into three stages: Trigger-Initial Consideration, Active evaluation-Moment of purchase, Post-purchase experience-Loyalty. There are several factors that affect Trigger Initial-Consideration stage such as unplanned purchase and planned purchase. In planned purchase, shoppers make a shopping list of what they need and add products to their shopping cart. However, in unplanned purchase shoppers are influenced by ads they see on television or social media.

The Active Evaluation-Moment of purchase stage is influenced by multiple factors including assortment, availability, search, content, and activation. Assortment is considered important because that allows consumers to have the option to choose different sizes/variants/categories. Availability is important since respondents' purchases will be influenced by product availability, including pack size and variation availability. If the variety or brand they want is

not available, some respondents will move to another store. In search factor, consumer will search the item in e-commerce by category, by brand, or by going to the most recent purchase history.

In the content factor, consumers are concerned about the information on expiry date, appearance, rating, and review. It is important to be provided in the description box to give assurance to consumers regarding the quality of the product. Many of the respondents have a high level of knowledge about e-commerce activation. For instance, they are aware of the double date (e.g., 9.9, 10.10, 12.12, etc.) or other holiday-related promotions like Ramadan, PayDay, etc. They tend to look at those promotional offers to see if there are any items they need. Most people find it attractive to check the promotional banners and pages, and will buy something if it is something they usually need.

In Post purchase experience-Loyalty stage, consumer are mostly concerned with the speed, safety, and accuracy of the delivery, as well as the quality of the product and its packing.

There are various marketing strategies that PT. SNACK LEZAT can use to ensure positive consumer experience in Tokopedia and Shopee marketplace. The differences of marketing strategy are in assortment and activation stage for Tokopedia and Shopee.

In assortment stage, Tokopedia is more focused on bundling price deal buy 3 get 1 and mini campaign bundled, whereas Shopee is more focused on offering better price than offline and providing different pack of sizes and variants of flavors. In the activation stage, Tokopedia is more focused on homepage banner activation while Shopee is more focused on live streaming feature to gain more traffic.

Both Tokopedia and Shopee have similar marketing strategies on availability, search, content, and post-purchase experience stage. It is important to have fast re-stocking of

sold-out products, optimize search results using keywords familiar to consumers, have appealing product photos and descriptions, and have a guaranteed product replacement policy with additional packaging to ensure product quality. By doing this PT. SNACK LEZAT can elevate consumer decision journey and increase loyalty therefore e-commerce sales baseline can be increased. Further recommendation of this research is to optimize the cost of each process that does not covered in this research.

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