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Determinants of Consumer Behavior Choosing Oligopoly Markets: E-Commerce Platforms in Indonesia

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ABSTRACT

The oligopoly market is an imperfectly competitive market where only a small number of producers have influence on prices and market conditions, one of the oligopoly markets is the retail industry in the form of an e-commerce platform. This study aims to determine the effect of determinant factors that influence consumer behavior, and the approach used in this study is quantitative using 100 respondents who use the shopee ecommerce platform in medan city. The sample technique is nonprobablity sampling with the use of purposive sampling which is analyzed using multiple linear regression. The results of this study explain that lifestyle, financial attitudes and income have a significant positive influence on consumer behavior. Based on the analysis obtained, lifestyle factors, financial attitudes and income are able to explain consumer behavior factors of around 80.7% and around 19.3% of other factors outside the model.

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INTRODUCTION

Oligopoly is a form of market structure, where the market consists of only a few producers, and each producer in the market has (considerable) power to influence market prices so that the behavior of each producer will affect the behavior of other producers in the market. This oligopolistic market condition causes the actions of one producer in the market to affect the profits of other producers. This means that producers will be related to each other in a way that is different from producers competing in a perfectly competitive market.(Renny Oktafia et al., n.d.)

This oligopoly market condition can basically occur for 2 (two) reasons, namely: First, it aims to limit competition among producers. Second, because it occurs naturally, this is because usually oligopoly markets are formed in industries that require capital intensive, and certain expertise. This is because it can jeopardize competition in the market, where producers with market power are able to control market prices, hence the issuance of Law Number 5 Year 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition, in which oligopoly is grouped into the category of prohibited agreements. Although in practice oligopolistic actions that endanger competition are often not preceded by a written or verbal agreement between them like a cartel or price fixing agreement, it can happen with the interrelated reactions of oligopolists in action.(Bhakti, 2015)

One of the oligopoly markets is the retail industry in the form of an e-commerce platform. E-commerce is one of the platforms for purchasing goods and services through electronic media, especially online. (Fitria, T. N, 2017) E-commerce can be defined as business activities involving consumers, manufacturers, service providers, and merchants, using computer networks, namely the internet. (Hestanto, 2017). The existence of e-commerce makes it easy to do business through internet facilities with e-commerce. E-commerce has advantages, namely lower operating costs than offline stores, higher margins from selling digital products, can bring in global consumers, online stores can be open 24 hours every day without limits, the number of online transactions continues to increase, e-commerce sites are easy to optimize, easier to develop than offline businesses, easier and cheaper task outsourcing, affordable advanced marketing assets and quickly adapt to changes. (Astrid, 2021)

Analysis of behavior (conduct) in the e-Commerce industry in Indonesia, where each owner of the trading page provides different facilities in order to seize the market. For example, Shopee, Tokopedia, Lazada, Blibli and Bukalapak are almost similar e-Commerce sites. However, to capture the market, both sites try to attract internet users through varied sales facilities and options. On e-Commerce sites that are C2C in nature, website companies tend to compete in providing service facilities on their sites. Starting from a large selection of shipping companies, many payments features both cash and credit, to the sale of cell phone credit, payment of electricity accounts to PDAM, some even sell investments such as mutual funds and gold bars.

The efforts of e-Commerce companies are a strategy that is currently the mainstay in capturing the market share of consumers who are connected to the internet either through computers or cell phones. (Sari, 2017) It does not rule out the possibility that in the future, increasingly fierce competition will bring new technological breakthroughs from each of these trading pages. Therefore, the visitors who visit the e-commerce site are increasing every year. The following is the data of 2023 visitors who visited the e-commerce platform:

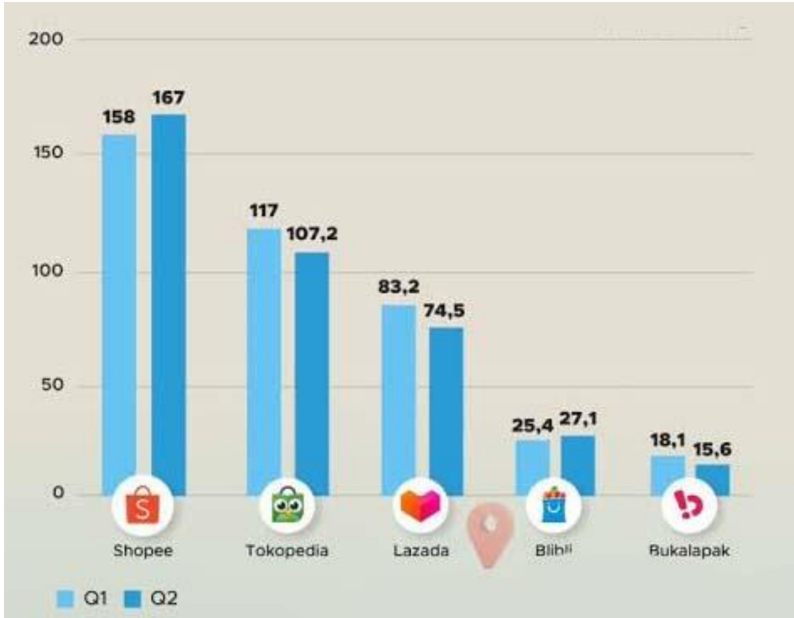

Figure 1. The most visited e-commerce platforms of 2023

Based on the figure above, the most frequently visited e-commerce platform is Shopee with around 158 million visitors in Q1 and 167 million visitors in Q2. Meanwhile, Tokopedia was visited by around 117 million visitors in Q1 and 107.2 million in Q2. And Lazada was visited by around 83.2 million visitors in Q1 and 74.5 million in Q2. Meanwhile, Blibli was visited by around 25.4 million visitors in Q1 and 27.1 million in Q2. In addition, Bukalapak was visited by around 18.1 million visitors in Q1 and 15.6 million in Q2. Thus, One of the e-commerce that has many enthusiasts is shopee e-commerce. Where, Shopee has more advantages where Shopee offers easy and effective buying and selling transactions. Shopee also often holds promotions every month, so that many consumers shop to get a variety of attractive promos such as free shipping, flash sales, cashback, and discount vouchers from Shopee. (Handayani & Arafah, 2023) Thus the research intends to find out Consumer Behavior Choosing Oligopoly Markets: E-Commerce Platforms In Indonesia.

METHODOLOGY

This research uses a quantitative approach. The data used in this study are in the form of cross section data. The population in this study amounted to 100 respondents who use the shopee ecommerce platform in medan city. Meanwhile, the sample used in this study was 100 respondents who use the shopee ecommerce platform. The sampling method used is nonprobablity sampling with the use of purposive sampling. Purposive sampling is a way of determining the sample based on the specific objectives of the research. (Arafah & Tanjung, 2019) The analysis used in this study is multiple linear regression analysis based on classical assumption test (normality test, multicollinearity test and heteroscedasticity test) and statistical test (t statistical test, f statistical test and determination test (R2)). The research model is as follows:

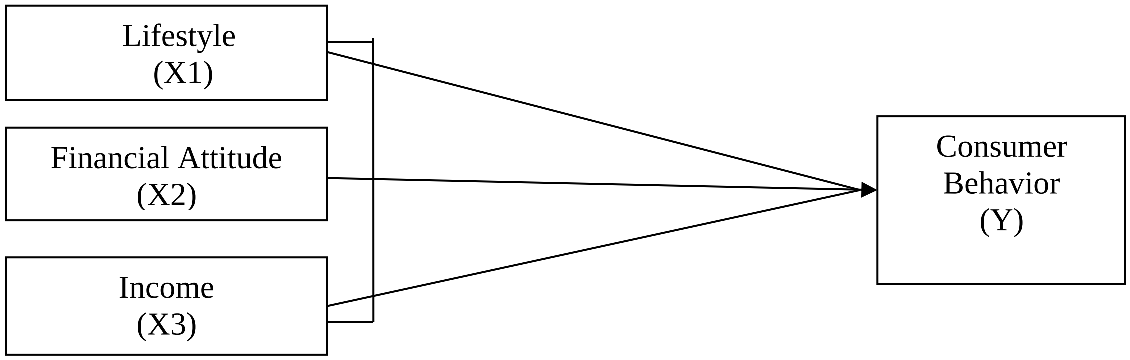

Figure 2: Research Model

The hypotheses in this research are:

Ho : There is no significant influence between the variables of lifestyle, financial attitude and income on consumer behavior

Ha : There is a significant influence between the variables of lifestyle, financial attitude and income on consumer behavior

RESULTS AND DISCUSSION

RESULTS

Multiple linear regression analysis is used to develop a mathematical relationship between one dependent variable and two or more independent variables. The following are the results of the classical assumption test (normality test, multicollinearity test and heteroscedasticity test) and statistical test (t statistical test, f statistical test and determination test (R2)).

A. Classical Assumption Test

1. Normality Test

This normality test is used to detect whether or not there is a normal distribution in a regression model between the dependent variable and the independent variable. The normality of this data can be seen through the *one-sample Kolmogorov-smirnov test*. The following output results are obtained, namely:

Table 1: Normality Test Results with *Kolmogorov-Smirnov Test*

One-Sample Kolmogorov-Smirnov Test

		Consumer Behavior	Lifestyle	Financial Attitude	Income
N		100	100	100	100
Normal Parameters[a,b]	Mean	15.86	15.68	15.98	15.75
	Std. Deviation	2.825	2.867	2.818	2.735
Most Extreme Differences	Absolute	.086	.084	.086	.082
	Positive	.071	.084	.086	.078

	Negative		-.086	-.081	-.084	-.082
Test Statistic			.086	.084	.086	.082
Asymp. Sig. (2-tailed)[c]			.068	.081	.065	.094
Monte Carlo Sig. (2-tailed)[d]	Sig.		.069	.082	.068	.098
	99% Confidence Interval	Lower Bound	.063	.075	.061	.090
		Upper Bound	.076	.089	.074	.105

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Based on the table displayed above, a conclusion is drawn that Sig> 0.05 so that the data is declared normally distributed.

2. Multicollinearity Test

Multicollinearity test is used in seeing whether or not there is an independent variable that has similarities between independent variables in a model. Where if the VIF value> 10 then multicollinearity occurs. The following output results are obtained, namely:

Table 2: Multicollinearity Test Results with VIF

Coefficients[a]

Model		Collinearity Statistics: Tolerance	Collinearity Statistics: VIF
1	(Constant)		
	Lifestyle	.450	2.222
	Financial Attitude	.334	2.998
	Income	.343	2.915

a. Dependent Variable: Consumer Behavior

Based on table 2 above that has been presented, it can be concluded that the VIF value in each independent variable is around 1-10 or less than 10 or the tolerance value is more than 0.01, so it can be concluded that there is no multicollinearity problem.

3. Heteroscedasticity Test

Heteroscedasticity is a residual variant that is not similar to all observations of the regression model. Regression that is said to be good should not have heteroscedasticity. Estimating the presence or absence of heteroscedasticity in a model can be observed through the use of the *Glejser* test. The following output results are obtained, namely:

Table 3: Heteroscedasticity Test Results with *Glejser*

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.209	.599		.348	.728
	Lifestyle	.081	.049	.247	1.647	.103
	Financial Attitude	-.025	.058	-.074	-.426	.671
	Income	-.020	.059	-.058	-.340	.735

a. Dependent Variable: Abs_Res

From the table above, it can be stated that each Sig value of all variables> 0.05, so it is concluded that the regression model does not detect any symptoms of heteroscedasticity.

B. Statistical Test

1. T Test (Partial Significance Test)

The statistical T test states that the extent of the influence of an independent variable individually or partially in explaining the variation in a dependent variable. Decision making on the T test is reviewed on two procedures, namely:

1. If sig is greater than 0.05 so Ho is accepted
   If sig is smaller than 0.05 so Ho is rejected
2. If -t table is smaller than t table is smaller than t table so Ho is accepted
   If t count is smaller than - t table and t count is greater than t table so Ho is rejected

The free degree in this study is measured based on the formula df = n-1; two sides / 0.025 = 100-1 = 99; 0.025, with a t table of 1.984. The following are the output results obtained, namely:

Table 4: T Test Results (Partial Significance Test)

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.200	.786		.254	.800
	Lifestyle	.511	.065	.519	7.890	.000
	Financial Attitude	.204	.077	.203	2.663	.009
	Income	.278	.078	.269	3.573	.001

a. Dependent Variable: Consumer Behavior

From the table above regarding the analysis of the t test (partial), it can be concluded that the variables of lifestyle, financial attitude and income have a positive and significant influence on consumer behavior, this is based on sig < 0.05 and t count> t table.

2. F Test (Simultaneous Significance Test)

The statistical F test is focused on stating whether each independent variable put together in a model has a joint or simultaneous influence on the dependent variable (bound). Decision making carried out in the F test can be obtained through two procedures, namely:

1. If sig is greater than 0.05, so Ho is accepted
   If sig is smaller than 0.05, so Ho is rejected
2. If F count is smaller than F table so Ho is accepted
   If F count is greater than F table, Ho is rejected

Based on the F table (V1 = k, V2 = n-k-1) so (V1 = 3, V2 = 100-3-1 = 96, the F table is obtained using a one-sided test (5%) around 2.699. Furthermore, the results of multiple linear regression analysis between independent variables put together in a model that has a simultaneous or joint influence on the dependent variable. The following output results are obtained, namely:

Table 5: F Test Results (Simultaneous Significance Test)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	642.300	3	214.100	139.121	.000[b]
	Residual	147.740	96	1.539		
	Total	790.040	99			

a. Dependent Variable: Consumer Behavior
b. Predictors: (Constant), Income, Lifestyle, Financial Attitude

From the table above regarding the analysis of the f test (simultaneous), it can be concluded that simultaneously there is a very significant influence between the independent variables, namely the variables of lifestyle, financial attitude and income on consumer behavior. this is based on sig <0.05 and t count> t table.

3. Coefficient of Determination (R2)

The coefficient of determination (R2) is used in measuring the extent of the ability of an independent variable to explain a dependent variable. The coefficient of determination is between zero (0) and one (1). The following output results are obtained, namely:

Table 6. Determination Coefficient Test Results (R2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.902[a]	.813	.807	1.241

a. Predictors: (Constant), Income, Lifestyle, Financial Attitude

Based on table 6 above, the adjusted r square value is around 0.807, which means that the variables of lifestyle, financial attitudes and income are able to explain consumer behavior factors of around 80.7% and around 19.3% of other factors outside the model.

DISCUSSION

The results of this study explain that lifestyle has a significant positive effect on consumer behavior. The effect is around 0.511, meaning that if lifestyle increases by 1 unit, consumer behavior will increase to around 0.511. This states that lifestyle will affect behavior and determine one's consumption patterns So, the higher the lifestyle obtained, the higher the consumer behavior, because lifestyles tend to be modern, making most of them often buy goods in modern shopping centers rather than in traditional markets. The achievement of this need, if it can be controlled, will lead to consumption behavior. Conversely, if it cannot be controlled, it will lead to consumptive behavior. Consumptive behavior occurs due to excessive consumption intentions.

Financial attitudes have a significant positive effect on consumer behavior. The effect is around 0.204, meaning that if the financial attitude increases by 1 unit, consumer behavior will increase by 0.204. This states that financial attitudes are assessments, insights or situations of thinking about finance applied to their attitudes (Tanjung & Triyani, 2023) So, the higher the financial attitude obtained, the higher the consumer behavior. This financial attitude is a psychological tendency that is expressed when evaluating recommended financial management practices at various levels of agreement and disagreement. Financial attitudes are a person's state of mind, opinion and judgment towards finance and are applied to attitudes so that they can maintain their value by making the right decisions and management. Theory of planned behavior (TPB) states that attitude is one of the personal background factors that can influence behavior or action.(Gunawan & Marliyah, 2022)

Income has a significant positive effect on consumer behavior. The effect is around 0.278, meaning that if the financial attitude increases by 1 unit, consumer behavior will increase by 0.278. This states that income is a receipt for a person or group from the results of contributions, whether energy or thoughts that are devoted so that they will get a reward. Thus, the higher the income obtained, the higher the consumer behavior. Income received by someone who is ready to be spent or consumed by the recipient. This income is an absolute right for the recipient.(Brilianti, 2019)

CONCLUSION

The results of this research explain that the variables of lifestyle, financial attitude and income have a positive and significant influence on consumer behavior. Oligopoly is a form of market structure, where the market consists of only a few producers, and each producer in the market has (considerable) power to influence market prices so that the behavior of each producer will affect the behavior of other producers in the market. One of the oligopoly markets is the retail industry in the form of an e-commerce platform. Where consumer behavior is the behavior shown by consumers in searching, buying, using, evaluating, and spending products and services that they expect to meet their daily needs Consumer behavior is based on personal factors, namely lifestyle, financial attitudes and income.

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