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THE 6th GADJAH MADA INTERNATIONAL CONFERENCE ON ECONOMICS AND BUSINESS

Shaping the Future of Digital Economy
Trends, Opportunities, and Challenges

Yogyakarta, September 12-13, 2018



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PREFERENCE

Thanks to God, with the almighty grace.

We are really grateful that the 6th Gadjah Mada International Conference of Economics and Business 2018 had been held successfully on September 12-13, 2018 by Publication Unit, Faculty of Economics and Business Universitas Gadjah Mada at the 8th floor Auditorium Learning Center Building Faculty of Economics and Business, Universitas Gadjah Mada, Yogyakarta. Tokens of appreciation should be rendered to our presenters, participants and all of you that made the event could be organized and carried out with the highest quality, comfort, and precision that we could give. Even though there are some mistakes that we did during the event, we apologize deeply for that. These Proceedings are compiled as a collection of all presenter's abstracts. Showing the creativity of ideas that could also be seen as an art inside the field of science.

The theme of this year conference is "Shaping the Future of the Digital Economy: Trends, Opportunities, and Challenges," and this theme is manifested in the presented papers that are compiled in these proceedings, comprised of the scholarly work from this global environment and as well as the honorary speakers.

Therefore, we would like to express our gratitude and credits to the Journal of Indonesian Economy and Business; the Faculty of Economics and Business, Universitas Gadjah Mada; Vanessa Ratten, Ph.D. (La Trobe University), Prof Noel; Scott, Ph.D. (Griffith University), Prof. Didi Achjari, Ph.D (Universitas Gadjah Mada) and Destya Danang Pradityo, MBA. (PT. Bukalapak) for taking the time to contribute and share their expertise and experiences to the conference that have enriched our knowledge in this field; all the scientists and researchers for contributing their research, ideas, results, and encouraging one another to learn more by sharing, learning, and discussion sessions.

There were 45 papers presented in the conference. The best 5 papers were selected for The 6th GAMAICEB Best Paper Award. Those papers will be published on the *Journal of Indonesian Economy and Business* (JIEB).

We sincerely hope that these proceedings and the conference in particular will grant benefits to all of the participants and also the readers. Especially as a reference for further Economics and Business development in Indonesia and all over the world. We welcome and will receive any suggestions and constructive feedback to improve the organizing strategy for the betterment and development of Gadjah Mada International Conference of Economics and Business conferences and proceedings. We look forward to see you again in our next event.

Yogyakarta, 16 September 2018
The 6th GAMAICEB Committee

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*The title of the 6th GAMAICEB's Best Paper Winner

We Trust so We Want to Buy? Study on Hotel Booking Sites in Indonesia

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ABSTRACT

APJII stated that internet users in Indonesia currently reached 132,7 million people with 97.5 percent of them are using the internet to access and to share information. Shared information, especially those conducted online through social media, hold an important role in consumer's purchase decision process because it provides basis to create consideration set. The vast information, however, potentially increase confusion due to anonymity of its source. Hence, many consumers are relying on recommendations from others, called as electronic-word of mouth (e-wom) when conducted online, because it is considered to be reliable and free from commercial motives. Early 2017 marks the growth of company's revenue that operate on an online basis. E-commerce had penetrated people's life tremendously and said to simplify transaction process. One of the industry sector that receive huge impact from online operation is accommodation industry, especially due to the increased growth of travel numbers and tertiary sector in Indonesia, causing online booking service reached huge market. With distinctive characteristics of service, online transaction like booking a hotel may cause uncertainty and skepticism to individuals because no tangible aspect of the service could be seen, felt or touch which may affect their intention to chose certain hotel. Understanding factors that determine consumer's intention to book hotel online is thus imperative, especially for hotel industry to maintain their competitiveness. A data from survey towards 409 consumers who have active social media were analyzed to see whether trust mediates social media usage and e-wom to booking intention. Results showed that social media usage and e-wom has direct, positive and significant impact on booking intention ($\beta = 0.515$ and $\beta = 0.605$, respectively). In addition, social media usage and e-wom is proven to have indirect effect on booking intention mediated by trust. When partially mediated by trust, e-wom is found to have greater impact ($\beta = 0.775$) on booking intention compared to social media usage ($\beta = 0.642$). This study implied that trust is an important factor to determine the intention to online booking for hotel in Indonesia. Social media usage which directly affects booking intention, have greater valence when mediated by trust. Although consumer mainly uses social media to search for information of hotel and this activity may induce booking intention, the intention is higher when consumer actually trust the social media they used. Similar phenomenon was found for e-wom. E-wom had direct effect on booking intention, and the intention will have greater valence when mediated by trust. Consumer realize that e-wom may consist of positive and negative comments and that both kinds of reviews are assumed to reflect the true condition of the hotel. As a result, consumer can trust hotel provider and thus resulting in higher intention to book the hotel online. The result of this study is important for hotel managers to improve their online booking management. Since e-wom may enhance trust and thus to booking intention, it is imperative to keep the positive recommendations or reviews from customers to be more visible in the booking site. Negative reviews should be carefully analyzed and hotel managers should always respond those negative reviews promptly by providing balanced views. Further, although not directly relate to review content, hotel managers should improve their service quality because it may affect consumer's view on overall hotel quality thus consumer may provide more positive reviews or even recommend the hotel to others through their social media.

Keywords: social media usage, electronic word of mouth, trust, booking intention, hotel

Impact of Negative Publicity on Consumer's Repurchase Decision in Online Public Transportation

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ABSTRACT

Nowadays, consumer is becoming increasingly vulnerable to negative information about a brand. The information adversely affects the company. One of the effects is decreasing consumer's positive outlook to a brand that can lead to consumer's decline in desire to purchase or using the same brand in the future. In Indonesia, there are still not many researches about effects of negative information on consumer's repurchase intention. The purpose of this study is to determine the impact of negative publicity on consumers repurchase decision. Researcher will examine the impact of negative publicity on repurchase decision mediated by consumer attitude, consumer trust, and brand evaluation. The design of the research is descriptive. The data in this study uses a primary data, which is obtained directly from respondents' answers. To collect respondents' answers, an online questionnaire using Google Form was used as the instrument. The criteria of respondents in this research are people who have used the services of Grab, aged 20-35 years, and live in Jabodetabek area. Total respondent for this study is 140 people. To test the hypotheses, SEM is used so that the model for this study can be tested. The result from this study are, first negative publicity has a negative effect on consumer's attitude, consumer's trust, and consumer brand evaluation. Second, the consumer attitude and brand evaluation have positive impact on repurchase decision on consumer, meanwhile trust not positively effecting the consumer's repurchase decision. This study is also expected to be used to determine the right strategy in facing and solving negative publicity in order to decrease impact in corporate income.

Keywords: negative publicity; repurchase decision; brand evaluation; attitude; trust

If online Marketplace Were Humans: Study of Brand Personality of Tokopedia and Bukalapak

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ABSTRACT

Due to the convenience and efficiency, online marketplace in recent days is not an alternative any longer but more as a necessity. Many online marketplaces in Indonesia are offering the same service and features, so differentiation that is based on functional benefits become irrelevant. Marketers need to come up with other approach to help address the problem. In these vast digital age customers need a human-centric brand, meaning brand that resembles human-like personality is preferable because customers want a brand that treat them as friends. This creates an important focus to develop brand personality. Brand Personality is the term that associate human personality traits to a brand. The aim of this research is to identify the most dominant brand personality of Tokopedia and BukaLapak to give new resourceful insight for marketers to help develop a favorable and meaningful differentiation. This research will focus on the two largest and competitive online marketplace in Indonesia; Tokopedia and BukaLapak to a subject of generation Z in Indonesia. As Tokopedia and BukaLapak are an internet company, Generation Z is the most probable to be exposed to high internet activity which makes them the perfect subject of this research. To capture the dominant brand personality, researcher use Aaker's BPS which was proven to be reliable across product categories and culture differences. Aaker's BPS consists of 5 personality dimension; Sincerity, Excitement, Competence, Sophistication, and Ruggedness is translated to Indonesian language through a set of 5-points likert scale questionnaire is administered to capture which extent respondents associate the personality with the brand to a sample of 200 high school and university students in Bandung and Jakarta. The results of this study shows that Tokopedia is dominant in the competence personality, while BukaLapak is dominant on the excitement personality thus marketers have to create a meaningful differentiation that is based on competence for Tokopedia and excitement for BukaLapak. It is important for marketers to develop a consistent brand personality so that one personality won't overlap against another. Different demographic attributes also resulted in different formation of the brand personality, so it is important for marketers to notice that choosing the right target market to develop brand personality.

Keywords: brand personality, aaker's BPS, online marketplace, tokopedia, bukalapak

Consumer's Perceived Ease of Use And Perceived Usefulness Analysis of E-Wallet Utilization in The Food And Beverage Industry: An Investigation of Millennials in Jakarta

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ABSTRACT

As an emerging payment method, E-Wallet is considered to be the future payment system that would be used by everyone, especially the millennial who are tech-savvy. This study aims to determine whether perceived ease of use and perceived usefulness affect the intention to utilize E-Wallet in F&B Industry in Jakarta. To close the gap, this research extended the Technology Acceptance Model by adding a bit of Consumer Behavior theory that are packed in one variable. This is a quantitative study with the sample of 200 respondents. The unit of analysis is consumers considered as individuals - of casual dining restaurants in Jakarta that has an experience of using E-Wallet. This research used multiple regression analysis to measure the impact from customer loyalty program to customer retention through two dimensions of loyalty program values. The study results suggested that norms, lifestyle, and influence from others that are packed as the new one variable has the most impact on the intention of people, in this case millennial, to utilize E-Wallet, followed by the other two variables of Perceived Usefulness and Perceived Ease of Use. Theoretical implications and further recommendation are based on the findings of this research.

Keywords: digital payment system, technology acceptance model, consumer behavior, e-wallet utilization, millennial

Effect of Cryptocurrency on China's Exchange Rates: Case Study of Bitcoin

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ABSTRACT

In recent years, there have been many significant changes in commercial transactions. Not only e-commerce continues to grow, but the form of payment services and service providers is also growing, such as virtual currency. One type of virtual currency that is quite popular is cryptocurrency especially Bitcoin. China became the country with the largest Bitcoin market in the world in recent years. But due to concerns about money laundering and threats to China's financial stability and affecting the domestic currency, the Chinese government has formed a strict policy on Bitcoin. Therefore, China is no longer the largest Bitcoin market in the world. This study aims to analyze whether cryptocurrency really affect China's domestic exchange rate against the US dollar so far as the Chinese government is concerned about ?. The independent variables in this research consist of Bitcoin price volatility from BTCE company, current account, inflation and money supply. The data used is monthly time series data from November 2012 until July 2017. The analytical method used in this research is autoregressive distributed lag (ARDL). The estimation results show that Bitcoin price volatility in the short term does not affect the exchange rate of Yuan against US dollar, while in the long run, Bitcoin price volatility significantly negatively affect the exchange rate. Thus, the higher the Bitcoin price volatility, the higher the risk, so that when Bitcoin's price volatility increases, investors will switch to investments other than Bitcoin. The magnitude of the risk of investing in virtual currency will tend to direct investors to investments with regular currency so that the domestic currency becomes appreciated.

Keywords: cryptocurrency, bitcoin, exchange rate, ARDL, China

Housing Affordability Model and The Indirect Impact of Liberalization

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ABSTRACT

Real estate sector is showing booming development in the developing economic area including Malaysia. The demand for houses from the locals is different from the international due to micro and macroeconomic factors. In the case of Malaysia, the outgrowth of international into the country might also cause by the liberalization in the real estate sector. By acknowledging the possible influence of external investment, the research objective for this study includes foreign direct investment (FDI) as a determinant for housing affordability in Malaysia. This study intends to estimate the effect of FDI and house price on housing affordability. It employs Johansen Cointegration approach to seek for the long-run equilibrium within these variables. The extension of this study is the inclusion of liberalization and the utilization of Channel Method. Therefore, we would observe the impact of liberalization on housing affordability in the presence of FDI. The results of this study i) suggests that liberalization has negatively affected housing affordability, clearly the openness of the real property sector has caused influx of foreign buyers and this pushed the house price beyond the local's affordability level, ii) suggests that through FDI, liberalization has changed its sign to positive signifying the presence of FDI has caused a higher liberalization to influence higher affordability level. It shows that the openness of the real estate sector has alleviated the affordability level among Malaysians in both average house price and terrace.

Keywords: FDI, house prices, terrace, Malaysia

Peer-to-Peer (P2P) Lending in The Digital Age: Indonesian Context

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ABSTRACT

Latest data from Asosiasi Fintech Indonesia, financial technology in Indonesia has been growing from 9% in years 2013-2014 to be 78% in years 2015-2016. With the trustful new system, P2P lending scheme has potential to continue growing and support Indonesian economy. Since peer to peer (P2P) lending service has been growing rapidly these days, this paper aims to understand which factors could support the growth of P2P lending service in Indonesia. Several factors that support P2P lending are better macroeconomics condition, demographic changes, consumer behavior, growth of financing, and support from regulation. P2P lending itself is categorized in 3 groups, which are: personal borrowing, small business borrowing, and borrowing for students. Using Global Findex Database 2014, we conduct logit and margins regression across ASEAN countries, controlling the country. Combining the analysis with literature review, we found two main results. Male, younger people, and the poorest 20% of income group tend to have higher probability to borrow money. Probability of people in the poorest 20% group to borrow money is approximately 0.53, while probability of the richest 20% to borrow money is only 0.47. Among ASEAN countries, people in Indonesia, along with Cambodia and Philippines, have higher probability to borrow money; which is around 0.60, 0.61, and 0.75, respectively. In particular, Indonesia has two main factors which will contribute to the potential of its growth: demographic composition dominated by younger age; and the presence of potential regulation which has already been applied in its financial environment. Combining those analysis, we conclude that P2P lending service is potential to continue growing in Indonesia.

Keywords: P2P lending, logit, margins

Contribution of Ict Investments and Patent to Indonesia Economic Growth

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ABSTRACT

Innovation is the key development of knowledge-based economy which plays a significant role in creating labor market and economic growth. The quantity of new inventions that a country can cover then become a measurement of the country's innovation level. A good patent system leads to an incentive for inventors to keep supporting them to innovate. Information Communication and Technology (ICT) sector is especially has strong linked with patent due to its high cost of research and production. One patent could be used to produce millions of products in the worldwide. This study will calculate the role of innovation and investment, especially in ICT sector to economic growth, by utilizing Ordinary Least Square (OLS) then come up with policy recommendation to improve and optimize the relation. This research concludes, over the last 16 years, investment and patents in the ICT sector have been able to boost the economy. The role of foreign investment and non-resident patents has positive results and has a significant effect on the Indonesian economy.

Keywords: innovation, knowledge capital, patent, ICT sector

The Impacts of Financial Literacy on Investment Decision of Non-Donation Based Crowdfunding in Indonesia of The Year 2018

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ABSTRACT

Indonesia is predicted to be a country with the biggest emerging market in the world in 2050 as it will experience growth on its GDP. The growth of GDP will also affect the rise of money supply which indicates the increasing number of financial transactions. Thus, it is necessary to have a good financial literacy in order to help the households to make wise financial decisions. However, the 2016 National Literacy and Financial Inclusion Survey shows the level of Indonesians' financial literacy is relatively low, which the lowest financial literacy and inclusion index is on the capital market sector. At the same time, there has been a rapid growth in information technology in recent years, especially in internet services. The increasing number of internet users have had a positive impact on the growth of financial technology products. From financial educator's perspective, the growth of internet users and fintech products can be utilized to conduct a more effective and efficient financial education program, particularly on the investment activity. This study will analyze the financial literacy level of Indonesians based on their investment activity and also its predictors in attempt to explain the variation of financial literacy level. Moreover, this research will also analyze the impact of financial literacy on investment decision on non-donation based crowdfunding. The sample of this research is Indonesian households, collected by using questionnaires and examined by using binary logistic regression. The study's findings are three fold. First, there is heterogeneity in financial literacy level among Indonesians based on their investment activity. Second, financial literacy is found to be affected by residential, education, income and capital market ownership. Third, it is found that the higher the financial literacy level, the higher the tendency to participate in non-donation based crowdfunding. Therefore, it is important for regulator to develop an education program that will increase the financial literacy indices of Indonesians.

Keywords: Equity based crowdfunding; financial literacy; lending based crowdfunding

An Implementation of Mandatory to Utilizing Simda: Does It Influence to an Auditor Independency of BPKP Representative in East Kalimantan Province?

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ASBTRACT

This study aims to examine the user willingness of Sistem Informasi Manajemen Daerah (SIMDA) which is mandatory implementation through to the interest of system users. Discussion in this research is tend to discuss the ease of using the system. This study discussed about TAM structure as a model of technology adoption in government institutions. The research method used, quantitative and qualitative method. Quantitative method was done by distributing questionnaires. While, qualitative method was done by interviewing representatives of BPKP of East Kalimantan province. The hypothesis in this study was tested by using regression analysis, while the mediation variable was tested by using path analysis, furthermore, the interview result was processed by means of a coding analysis on each answer. The results showed that, there was a positive and significant influence between perceived usefulness and perceived ease of use to attitudes toward using, but there was no relationship from perceived usefulness to behavioral intention through attitude toward using. Path analysis showed that was connection between perceived ease of use to behavioral intention. This result indicated that user was no considered benefit to SIMDA, because of implementation mandatory is. Meanwhile, users felt that it was easier to use the system because of they had been trained to use it. The result of interview concludes that the representative of BPKP of East Kalimantan Province has lost their independence's function. Nowadays, the scope of BPKP's auditor duties has limited to consultation, evaluation, training, supervision and accompaniment of the preparation of financial statements.

Keywords: perceptive usefulness, perceived ease of use, quantitative method, qualitative method, questionnaire, interview.

Accountability Pressure as Debiaser for Confirmation Bias in Information Search and Tax Consultant's Recommendation

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ABSTRACT

Prior research shown that tax consultants are subject to confirmation bias during information search and providing recommendations to their clients. Misra et al. (2018a) found that client preference requests implicitly led to a stronger confirmation bias and subsequently resulted in aggressive tax recommendation. Considering that a confirmation bias may expose the client and the tax consultant to various risks, the occurrence of such bias needs to be mitigated. This study proposes accountability pressure to mitigate such bias as found in Misra et al. (2018). The research was conducted by experimental approach on 2x2 between-subjects design using an internet-based instrument. Client preferences are manipulated into 2 levels (implicit vs explicit), so to accountability pressure (strong vs weak). Information search behavior is divided into search type and search depth. The experiment involved 82 tax professionals. The results show that accountability pressures influence the depth of consultant information search. A deep search leads to more conservative recommendations, while a shallow search leads to an aggressive recommendation. The results of interaction and simple effect tests show that the information search depth as the consequence of accountability pressure can mitigate confirmation bias in the search for information that occurs. These findings imply that accountability within the organization needs to get the attention from tax consultants.

Keywords: tax consultant, confirmation bias, information search, accountability, tax recommendation

The Effect of Organizational Culture on The Implementation of The Business Ethics in Indonesian Aviation Company

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ABSTRACT

Ethic holds an important role in business organization. This means that anyone conducting in aviation industry needs to imbue themselves with noble ethic and also moral responsibilities. Concerning to the importance of ethic in business, the researchers believe that it is important to know how airline companies face the crucial problems in their practice. This study aims at analyzing the influence of organizational culture on the implementation of the business ethics of the Indonesian aviation industry. This is a descriptive quantitative study. The primary data were collected through questionnaires and interview to the employees in aviation company, especially on ground handling Indonesia. The primary data from the questionnaires were analyzed using simple regression and coefficient. The data from the interview were analyzed using content analysis. The result showed that the companies already have the code of conduct for the employees and stakeholders. The F-test revealed that the company culture influence the implementation of the business ethics of the Indonesian aviation industry. The simple linear regression showed the positive relationship between the organization culture and the Business ethic. The coefficient determination revealed that organization culture contribute to the 27,6% on the implementation of the business ethics, while the 72,4% is caused by other variables.

Keywords: business ethics, organizational culture, aviation industry

The Impact of Protean Career Orientation and Boundaryless Career Orientation on Organizational Commitment, Job Satisfaction, and Intention to Quit

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ABSTRACT

This research was conducted to portray the relationship of protean and boundaryless career orientation and its correlation with organizational commitment, job satisfaction, and intention to quit from the job. The approach was done with quantitative approach with structural equation modelling (SEM), involved 273 millennial employees or Y generation that were divided based on the category of employment's tracks which were HCMS and non HCMS). The research technique used was questioner with 5 variables, which were protean career orientation, boundaryless career orientation, organizational commitment, job satisfaction, and intention to quit the job. Interview was also performed to two employees to confirm the questioner's result. The result of this study showed that there was no difference between protean career orientation, boundaryless career orientation, organizational commitment, job satisfaction and intention to quit the job in the two categories (HCMS and non HCMS). However, influence factor was found to be different between HCMS employee, non-HCMS employee, and total millennial employees. For HCMS employees, protean career orientation only influenced organizational commitment and job satisfaction, and boundaryless career orientation only influenced intention to quit the job, meanwhile for non-HCMS employees, both protean and boundaryless career orientation influenced organizational commitment and job satisfaction. Different from HCMS employees, for non-HCMS employees, intention to quit the job was influenced by organizational commitment. In the general aspect of total millennial employees, protean career orientation contributed influence toward job satisfaction and organizational commitment, while boundaryless career orientation only influenced organizational commitment, and organizational commitment became an influence for intention to quit the job. For that result, in order to evaluate career management system, PT XYZ (Persero) has to consider the concept of Protean and Boundaryless so that the employees especially millennial could develop optimally and increase the added value for corporate sustainability.

Keywords: protean and boundaryless career, organizational commitment, job satisfaction, intention to quit

Intellectual Capital as A Competitive Advantage: Case Study on SME Batik in Central Java

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ABSTRACT

Intellectual Capital as an intangible capital is capable of generating a competitive advantage that will lead to organizational performance because it is a resource that is difficult to imitate and can even be regarded as a strategic resource. Purpose of the study was to analyze and test the influence of intellectual capital on competitive advantage and organizational performance. A conceptual model was developed to explain the effect of intellectual capital as a strategic resource that can enhance competitive advantage and performance. The study was conducted on two biggest clusters of batik industry in Central Java, Pekalongan and Laweyan Solo. The sample consists of 87 SMEs with respond rate 64%. The results showed that the human capital, structural capital and relational capital directly affect the competitive advantage, human capital directly affects the performance. Meanwhile structural capital and relational capital indirectly affect the performance. Sobel test shows that the affect of structural capital and relational capital toward performance through competitive advantage, it means that competitive advantage of fully mediates. This finding is in line with the Knowledge based view, which states that intellectual capital as an intangible capital that can create value and enhance competitive advantage that will lead to organizational performance. Limitations of this study that the concept of intellectual capital was a relatively new concept, especially for SMEs Batik, so that subjectivity perceptions of respondents are still very strong so it needs to be studied more in the factors that build intellectual capital in order to obtain other capital that characteristic of SMEs Batik. For further research, it is necessary to include entrepreneurial orientation and marketing orientation variables in order to develop a strategic orientation for SMEs, especially Batik.

Keywords: human capital, structural capital, relational capital, competitive advantage, performance

Vehicle Routing Model of Product Distribution Under Different Capacity and Velocity Scenarios

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ABSTRACT

Companies regularly require to evaluate and to manage its delivery systems, particularly in determining the routes of the vehicles in order to enhance the competitive advantages in operational term. The distribution system of the firm in this research is renting a fleet of the vehicles to deliver goods to the customers. The amount of the hired vehicles is adjusted to the amount of the customers, means one vehicle is rented to deliver goods to one customer or named One-to-One Relationship. Distribution with that system causes high transportation cost. The purpose of this paper are to design vehicle routing problem (VRP) of a powder coffee firm in to linear programming form and to devise the optimal route of the product distribution. Exact approach analyzed the primary and secondary data, the Branch-and-Bound algorithm solved the model. This study presented five scenarios of the fleet under different capacity, which are three heterogeneous and two homogeneous vehicle scenarios. Also for the fleet velocity are the optimistic and the pessimistic scenario. The output clarified the global optimum solution for scenario 1 and 2, whereas scenario 3, 4 and 5 obtained the feasible solution. The result explained when the firm applies the heterogeneous vehicle scenarios, the hired vehicle cost can be decreased a minimum of 8.7 percent and a maximum of 38.5 percent. On the other hand, the value of savings in the homogeneous vehicle scenarios is larger, i.e., 14.4 percent to 37.2 percent. If there is an additional rental fee at certain times, the largest additional rental cost can occur in scenario 3 and 5, allowed to IDR 6 hundred thousands. However, it needs as well to meet the criteria of the optimistic scenario. The company can adjust one of the fleet capacity scenarios depends on its goal, the shortest mileage or the largest savings cost. Depends on the minimum mileage, scenario 1 is the best route with the number of mileage is 2776.9 km. Nevertheless, if it needs to consider the hired vehicle cost, scenario 3 is the most enable scenario to apply because it provides the largest saving cost (38.5 percent). Proposed scenarios can be implemented with assumptions there is no time windows and significant changes in total demand. Although the findings can be observed by the company to adjust, heuristic methods require to be developed in view of runtime.

Keywords: VRP, linear programming, exact approach, new routes, transportation

Customer Segmentation Analysis in Real Estate Using Big Data Analytics

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ABSTRACT

The study of customer segmentation is influenced by the need of the companies to compete with their competitor and create competitive advantage. Once company knows their target segmetations, they can create a value proposition of their products or services. Customer segmentation is one of the main concerns in the business world until today, since the misjudge of segmentation could affect their revenue. Real estate is a multibillion industry that highly segmented, because of the vast characteristics of their customers. Indonesia is a potential and emerging market for real estate and housing industry, due to the big numbers of population (around 260 million) and their wide geographical area. This big numbers represent vast and various characteristics that different one to another. To analyze the various amount of data, real estate company using big data analytics, to help them provide insightful meanging of the data. Big data begin to be widely used as source of data to learn about condition or to predict behavior that may occur through various data analysis modeling. This study presents a segmentation analysis to help a real estate developer company, to analyze and understand their customer segmentation. Segmentation analysis in this study have been developed using cluster analysis, according to the similarity of data, the huge number of customers data can be clustered objectively and scientifically, and those customers are be clustered into corresponding groups. This study used hierarchical clustering and K-Means methods, to perform the analysis. The results of this study indicates that 4 cluster are formed from the customers data. The all 4 cluster are devided based on demographic aspect, such as age and income, also from the product attributes such as installment, price, building area, and land area. Discriminant analysis give a persepective that price variable is the significant variable that have most influence to the group membership. Discriminant analysis also determine 3 function that an predict the cluster membership, with an 89.3 % accuration. In addition, this study also analyzed the factors that have a significant influence on the segments and provide advice to the company on how to turn that into benefits.

Keywords: customer segmentation, real estate, big data, hierarchical clustering, K-means, discriminant analysis

Expertise, Attractiveness, and Trustworthiness as A Driver of Attitude and Purchase Intention: Study of Online Review on Youtube Platform

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ABSTRACT

In recent years many Youtube users are creating vlogs (video blogs) with creative and innovative content including product reviews that are in great demand by the audience. Consumers like product review content because it can enhance their information and insight about a product/service and minimize transaction risk, especially those done online. Although it has become something consumers often use on the one hand and marketers on the other, research on product reviews, their impact on consumer behavior, and their implications for marketers still need to be expanded. This research seeks to expand the results of previous research related to expertise, attractiveness, and trustworthiness as a driver of consumer attitudes towards product review content and their behavioral implications on the brand being reviewed. This study aims to test empirically the influence of expertise, attractiveness, and trustworthiness to consumer attitudes over product review content and its implications to consumer purchase intention regarding the product being reviewed. This research is done quantitatively through descriptive research design. Data were collected through an online survey of millennial generation samples in Indonesia. To test the hypothesis, the data collected is estimated using Structural Equation Modeling approach. The results of hypothesis testing in this study indicate that expertise, attractiveness, and trustworthiness significantly influence the formation of a positive attitude of consumers to content review products. Furthermore, consumer attitudes toward product reviews subsequently have a significant impact on increased purchasing intentions over reviewed products. Expertise, attractiveness and trustworthiness are the drivers of consumers' positive attitudes toward review content of the product which then impact on increasing the buying intent of the reviewed product. If we look deeper, it is seen that expertise and trustworthiness is the dominant aspect of consumer attitudes in the context of this research.

Keywords: online review, expertise, trustworthiness, eWOM, purchase intention

Impact of E-Commerce Sector on Economic Growth

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ABSTRACT

The development on technology and innovation of digital technology has a huge impact on how people interact in the market. E-commerce gradually takes larger impact every year on economy. The objective of this article is to give a brief explanation of how e-commerce has affected Indonesian economy in these past view years. We used Vector Autoregression (VAR) and Input-Output analysis methods to give a wider view on how GDP affected by e-commerce. The result shows that e-commerce does affect GDP positively. And the development of innovation and technology give impact on GDP growth both positively and negatively. By I-O analysis, investment in e-commerce can be increase GDP growth around 0,389 percent and it will be increase the innovation sector. In conclusion e-commerce has a bright future because of the growing digital buyers and users of e-commerce transactions and e-commerce has a positive impact on the Indonesian economy so that relevant stakeholders should support e-commerce to a more advanced stage from now.

Keywords: e-commerce, economic growth, VAR, Input-Output Analysis

The Impact of The Internet Use to The Mental Health Adolescents in Indonesia

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ABSTRACT

The Internet is an indispensable everyday tool for many students, but it may negatively affect student mental health, resulting academic failure. As adolescents Internet use grew exponentially in the last decade, with it emerged a number of correspondent expectations. Many of them spend more time online, surfing the web, using social media, chat or shop online. The internet use causes social isolation and depression, especially for adolescents. Several studies also revealed about internet use among adolescents, that the internet use can improve symptoms of depression. Another study found that the internet use can overcome feelings of depression. This research will analyze the impact of internet use to the middle adolescents (15-18 years old) mental health in Indonesia. This study will use IFLS 5 and the PSM logit model with the dependent variable is it available for internet access? While the mental health condition is the independent variable, is it in good condition/not depression or bad condition/depression? And also several control variables, like age, gender, education, bmi index, dummy region, dummy urban. The internet use has no effect with mental health depression on the middle adolescents in Indonesia. Meanwhile, bmi index, dummy urban, education, age, gender has positive effect on the internet use but bmi index is not significant with the dependen variable. The region is not significant with the dependen variable of the internet use. That means, people still use the internet at any places in Indonesia. People who still using the internet have not any problem with obesity. The internet use is still safe to consume for adolescents, especially for mental health condition and its can overcome the depression for adolescents. The internet use has a big market potential for internet provider.

Keywords: adolescent, mental health, depression, internet use

High-quality Connection; It's Implication on Academics Resilience Capacity

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ABSTRACT

Intepersonal relationship is imperative to make individual functions in higher educational institution, including in facing adversities. Reviewing positive organizational scholarship literature, this study offers a relationship model between high-quality connection (HQC) and individual resilience. It also examines how the relationship facilitate academics in strengthening of their resilience capacity. In a sample of 223 academics in Indonesia's private universities, confirmatory factor analysis using structural equation modelling supported the model suggested. Scale of measurement of high-quality relationship (HQC) from Carmeli and Gittel that has three dimensions: Emotional carrying capacity, tensility and connectivity is used. As for resilience, a newly developed scale from Amir is used. HQC dimension; emotional carrying capacity, tensility, and connectivity affect the developmental persistency and positive emotion as resilience dimensions. These results provide insights on how dyadic interaction is a key mechanism in explaining resilience, a foundational element for the effectiveness of academics. It extends body of research that relates relational features with resilience. Practical implications in creating adaptive academics and higher education institution are discussed.

Keywords: High-quality connection, resilience, tensility, emotional carrying capacity

The Impact of Shared Mental Model and Transactive Memory System in Performance Management: A Study of Frontline

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ABSTRACT

Individual performance has always been one of the influential areas of concern on delivering service. The evolution of education, lifestyle, and economy among customers shape more demanding behavior. We are currently moving ahead to become a service economy. Nevertheless, health or medical services as primary needs delivered by healthcare industry is also being affected. In the competitive medical care environment, the patient-perception of health care quality is one of the critical point of success because of their effect on patient pleasure and hospital profitability. One of the crucial department is frontline staffs who are the closest to the customers. Certain benefits of frontline service-management team contain efficient use of knowledge and experience, enhanced learning, higher productivity, organizational competitiveness, and customer-perceived service quality. Furthermore, many researchers have studied the linkage between shared cognitive knowledge and task performance. Current paper aims to review that shared cognitive knowledge concept within organization such as teamwork shared mental model (SMM) and transactive memory system (TMS) might strengthen customer satisfaction healthcare industry as it is currently growing. There is also a need to understand from human capital point of view in order to be able to deliver such favorable services. This research was conducted involving 86 participants working as front office staffs which have high contact relationship with customer using multiple regression. The respondents consist of 68 females (79.1%) and 18 males (20.9%). Ages mostly ranged between 25 to 34 years with minimum 10 months of working on the current position. Questioners were assigned to each participants, self-administered, and collected on the same day. It is found that SMM and TMS directly affecting work performance. It is also confirmed that SMM and TMS affect work engagement, and work engagement has positive influence towards work performance. However in this paper, the mediation effect of work engagement between SMM and TMS toward work performance was not found. Knowing that both antecedents are related positively to team engagement and performance, it is important for a firm to ensure SMM and TMS level in their service team. Thus, practitioners are able to refine team interaction and creating positive working environment which result in work performance.

Keywords: shared mental model, transactive memory system, work engagement, task performance, shared cognitive, performance management, knowledge management

A Grounded Theory Study: The Influence of Competence to Job Performance in Bag Industry Start-Up

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ABSTRACT

Having a great team for running the startup is a dream for every entrepreneur. When they build a startup, they start build a dream. The entrepreneur start setting their goals and no one have a goal for getting failure. However, the fact is the first five years is the most hard for surviving and many startup cannot survive and getting failure because their team lack of competence. The lack of competence will affected thee personnel performance, but how is the competence influence the job performance? The purpose of this study is to determine the influence of the competence to the job performance in a bag industry startup. Thereafter, the findings from this research can be used as a company guideline for setting the competence which needed by the bag industry startup and for finding a team which fits with the competence for reaching the startup goals. This research used a qualitative method, the specific method is grounded theory. The data been collected through semi-structured interview to the homogeneous group, which is the owner, founder, or CEO of the bag industry startup which already survive more than 5 years. The interview and the analysis did simultaneously until the data saturated. Then, the researcher followed the model for grounded theory which given by Strauss and Corbin for finding the relationship for this study. Competence consists of three key components, those are knowledge, skill, and attitude. The result from the analysis of the research shows that three components of competence is influenced into the job performance but it is not directly. It also influenced by other factor which can be called as context and interve condition. Then, in this research, there are two phenomenon which arise, those are: (1) adding the team and looking for the third party and (2) developing the current competence by self-learning, training, looking to role model and controlling. Afterwards, from the interview result, from those three key components, having the good attitude is the most important things and the skill and the knowledge become the next consideration after the attitude.

Keywords: competence, job performance, bag industry, start-up

A Causal Model of Spiritual Leadership in Enhancing Work Engagement

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ABSTRACT

Studies that have examined the influence of spiritual leadership on various organizational performance variables have been widely carried out, but on work engagement is still lack of attention, especially in the Indonesian context. Therefore, the main goal of this study was to investigate the impact of spiritual leadership on work engagement through meaningfulness of work and membership. This study was a quantitative research using primary data collected through questionnaire survey. Testing was conducted to 106 employees of the Islamic Hospital of PDHI in Yogyakarta. To test the impact and to determine the model that best describe the relationship of the different variables, the Structural Equation Modeling (SEM) with path analysis was used. The results showed that spiritual leadership with values, attitudes and behaviors of leaders had significant positive effect on the meaningfulness of work and membership of the employees. Further, the meaningfulness of work had a significant positive effect on work engagement. However, the membership does not affect work engagement. Suggestions for future research can retrieve data from more diverse locations and more samples.

Keywords: spiritual leadership, meaningfulness of work, membership, work engagement

The Licensing Policy and Creative Industries Information System Website-Based in Surakarta

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ABSTRACT

President of Indonesia Ir. Joko Widodo stated that "Today is the era of creative economy. Creative economy must be backbone of Indonesia's economy". Surakarta has potential in developing creative economy through creative industry especially in trade and tourism. The growth of creative industry in Surakarta is not accompanied by the realization of sustainable creative industry development. In addition, the absence of creative industry licensing clauses in Perda Surakarta Number 9 Year 2003 on Business Licenses causes the creative industries have no legality in law during their activities. Based on that problems this research aims to 1) formulate the licensing model for sustainable creative industries by designing local regulations about licensing of creative industries as well as doing the guidance and supervising for the businessmen and the community, 2) implementation of the licensing model related to creative industries in term of guide the creative industry get licensing through system information website-based. This type of research is the juridical-empiric within non-doctrinal qualitative approach, development of information system using prototype approach. The policy offered is done with Fishbone Analysis Model. The results of the research on creative industries in Surakarta showed an increasing trend in 2015-2016 that touches 495 creative industries. However, only 10% of the creative industries that have a business license and 90% do not have a business license. Therefore, local governments need to formulate model of local regulations for creative industries licensing and the utilization of information technology in the form of a website to gather data of creative industries in Surakarta and supports for development of those industries should be done for the sake of realizing sustainable development of creative industries.

Keywords: creative industries, licensing model, information systems

Utilitarian Performance Expectancy, Hedonic Performance Expectancy, and Technology Acceptance Model (Tam): Do They Impact The Behavioral Intention to Use Digital Payment Platform for Online Transportation's Payment?

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ABSTRACT

In this globalization era, digital economy and e-commerce growing rapidly. The development of digital technology makes many services that are formed and developed to facilitate human in fulfilling their needs. The change of the digital age brought new era in the rapidly growing e-commerce industry in Indonesia, one of that era is the emerging of digital payment platform. Digital payment platform is very common among our society. Digital payment platform can help someone to do their transactions easier than before in some cases. It has become crucial to understand all the factors that can influence someone to use digital payment platform. This research aims to determine and analyze the direct and indirect influence of utilitarian performance expectancy and hedonic performance expectancy mediated by technology acceptance model (TAM) to behavioral intention to use digital payment platform for online transportation's payment. This explanatory research explains the causal relationship between variables through hypotheses testing. This study uses a sample of 100 individual respondents who have used digital payment platform for online transportation's payment at least once in a month. The hypotheses testing was done using T test and Sobel test. The data were analyzed using Partial Least Squares (PLS), in Smart PLS 3.0. Based on the research, the results show that utilitarian performance expectancy and hedonic performance expectancy has positive influence on behavioral intention to use digital payment platform for online transportation's payment mediated by technology acceptance model (TAM). Positive relationship states that the higher factor of utilitarian performance expectancy will enhance the technology acceptance model, and the higher factor of hedonic performance expectancy will enhance technology acceptance model, and also the higher factor of technology acceptance model will enhance the behavioral intention to use. This study shows that behavioral intention to use digital payment platform is affected by utilitarian performance expectancy and hedonic performance expectancy which is mediated by technology acceptance model (TAM).

Keywords: utilitarian performance expectancy, hedonic performance expectancy, technology acceptance model, and behavioral intention to use

Reducing Service Waiting Time On BPJS Medika Antapani Pharmacy

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ABSTRACT

BPJS (Badan Penyelenggara Jaminan Sosial) is a legal entity established by the government as the organizer of the JKN (Jaminan Kesehatan Nasional) program. BPJS coordinate with health facilities in order to provide an equitable health services to entire community. BPJS Medika Antapani Pharmacy is one of the pharmacies in Bandung which has cooperated with BPJS. As a PRB and Chronic Pharmacy, BPJS Medika Antapani wants to improve the quality of service by reducing service waiting time to below SPM (Standard Pelayanan Minimum) Pharmacy and company's target that is 30 minutes. This research will analyze what causes of service waiting time that exceed the SPM and find a better solution by using simulation and values analysis. First, the researcher will analyze the current business processes. Then collected data on how long each process takes, inter-arrival, gateway decision percentage, number of employee, and staff allocation. For the data on how long each process takes then checked with the control chart to test whether the data is in control or not. After the control chart shows that all processes are in control and the model of simulation has been verified then the researcher put all the data into the simulation and conducted simulation validation. The final step in performing the simulation is determine the assumptions and limits and run the simulation by using iGrafx Software. The simulated result analyzed are service waiting time and resource utilization. It can be concluded that the current condition is not meeting the standard because the average service waiting time is above the SPM Pharmacy and company's target that is 30 minutes. Moreover, the current business process still contains activities that belong to the Customer Non-Value Added. The researcher then made some scenarios to find the best solution. The best scenario is obtained when the researcher incorporating Screening with Entry and Dispensing with PIO (Pelayanan Informasi Obat), allocating staff whose resource utilization is low to division whose resource utilization is high, and adjusting the number of employee according to the inter-arrival time. Under the new condition, the average service waiting time on BPJS Medika Antapani will be under 30 minutes and the average utilization of each division will be above 50%.

Keywords: BPJS PRB and chronic pharmacy, service waiting time, simulation, igrafx, values analysis

Smart City: Big Data Regional Analysis for Smart People Business (Study Case R M Ecommerce Consulting)

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ABSTRACT

Smart People, which are part of Smart City, are characterized by an element of internet use by residents in an area. The use of the internet in this case study with a study of the population of the city of Bali and Banjarmasin. This city will produce regional big data, which aims to analyze business locations. To do business expansion, the business owner is faced with several choices of cities that can be used as new branches outside the city of Sidoarjo as the main city of sales / head office. The method used Geography of Ecommerce algorithm and customer data documentation as a secondary data. This research resulted that big data which was processed by Geography of Ecommerce algorithm based on big data customers (Smart People) gave recommendations for choosing the right business location. Smart people are characterized by city resident who use the internet as a media for seeking information. Smart people who are mature establish Smart City. The output generated from this internet media is large data traffic information in a city (Big Data). Big Data Utilization in a city can be analyzed and used as an analysis in determining the location of new stores. Here is the importance of an algorithm (Geography Ecommerce) so that there is a synchronization between the potential of the region with Big Data that can be used for commercial analysis. The e-commerce geography algorithm is used not only for regional potential analysis, but also at the same time activating marketing / Brand Activation.

Keywords: regional economic, big data, ecommerce, algorithm, geography

Identifying Factors in Building Trust of Instagram Reseller Account

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ABSTRACT

While Instagram's main function is photo and video-sharing social networking service, now the use of Instagram no longer simply merely is used as social media yet in addition as a market place. Individuals also utilized Instagram as a place to advertise as well as straightforwardly selling the goods. In Indonesia, the process followed by the customer makes payment through the seller's personal bank account as opposed to utilizing any safe payment method. The increasing number of Indonesian people who runs online business on Instagram was also followed by the emergence of people who take this opportunity to commit fraud. Every week, there are at least 200 incoming report cases of online fraud on Instagram.. Despite the many frauds, some people are still interested in buying from Instagram accounts. In order to mitigate the risk, they develop their own methods in building trust, which is termed as a heuristic algorithm. This research collected those heuristic algorithms, identify it, and finally test its reliability in term of building trust of Instagram reseller account. Both qualitative and quantitative methods were used while collecting data for this research. ..The result indicates that there are 15 factors that form customer's heuristic algorithm, though 5 of it considered possible to be outsmarted by seller who have bad intention. The findings of this research are expected could enhance customer's knowledge to consider the precise things before make a purchase from Instagram reseller account in aim to be avoided from online frauds and also give recommendation about the effective marketing strategies for Instagram online sellers to gain more customers, to be differentiated with the fake sellers, and to be stand out among the online market.

Keywords: instagram reseller account, heuristic algorithm, online fraud on instagram

Customer Interface Design to Increase Efficiency in Du'Anyam's Customer Buying Process

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ABSTRACT

These study was conducted by the author in collaboration with the team from Yale School of Management to Du'Anyam, a social enterprise that produces and distributes wicker crafts to economically empower and improve woman's health in rural Indonesia. Du'Anyam have only a few salespeople facing manual sales process that takes a lot of time and effort, valuated as the urgency to design online sales implementation. The aim of this thesis is to increase Du'Anyam's sales growth by designing the improvement of its existing website. Website prototype for Du'Anyam's mixed customer was designed based on the data gathered from observation, interview with Du'Anyam client, and coding conversations between customers with Du'Anyam marketing team. Forty respondents were used to answer the questionnaire for the website prototype. The questionnaire was built using the Technology of Acceptance Model theory. The questionnaire results show that although the prototype of the website tends to be easy to use and useful, and although shopping through the website is recognized more quickly than through social media like instagram, the respondents tend not to do repurchase. The conclusions were drawn from the advice pattern on the questionnaire; mobile friendly and live chat feature was needed to improve the website performance. The result of business coaching will be shown in efficiency of Du'Anyam's customer buying process. The findings of this study are considered important, because it provide advice on the main features needed to build a mixed customer's website, which for now has not been widely found the website for the mixed customer.

Keywords: features, interface, online purchase, technological change, website

Development of MSME Internet Marketing Communication Through Website: A Case Study of Car Workshop in Indonesia

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ABSTRACT

Considering the advantages of the internet, it is in favor of the MSME to use internet marketing to improve its performance. However, although there are large numbers of MSMEs which have developed internet marketing, especially websites, they show a little or no regard for overall business aims and challenges and consequently, contribute little or nothing to the bottom-line. The purpose of the study is to map the condition of a MSME which is a car air conditioning workshop, assess the issues of the company, then discuss and implement the strategy of solutions related to internet marketing. More specifically, this study is limited in evaluating and developing the website of the company as media communication. The method used in the study was case study method with qualitative and quantitative approach. The main primary data collection methods are semi-structured interview and field observation. However, questionnaires are also distributed to potential and existing customers of the workshop in order to get some point of view and supporting data. In purpose of understanding the whole business of the workshop, several internal and external analysis tools were utilized. Furthermore, in order to get the idea of the ultimate marketing problem of the company and the root cause of the problem, GAP Analysis was conducted. It is found from data gathering and analysis that 23% of respondent look for information about car AC workshop through the workshop's website. However, even though the MSME has complete communication channels including website, it is not well-utilized. Thus, structure, design and content of the existing website were developed. Website and display of new contents then was evaluated whether it already meets the needs of website visitors and the workshop as a communication tool using Technology Acceptance Model as the basis. Website development had been done to maximize the function of company's communication channel. From the evaluation of the new website, it is concluded that Website's visitors perceived that the website is easy to use, give sense of usefulness, and they think positively about the workshop after their visit to the website. However, further development related to design has to be done.

Keywords: internet marketing, marketing communication, MSME, website

Relationship of Product's Perceived Value, Instagram Content, and Customer Trust Towards The Purchase Intention of Second-Hand Clothing

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ABSTRACT

The trend of buying and selling of second-hand clothing is increasing. Moreover, with the support of technology's rapid growth, the use of social media is helping the business to grow. For instance, on Instagram, there are lots of users that sell their previously owned clothing and users that look for it. This can be proved by the high number of second-hand products tag photos on Instagram, which acts as the media for customers to see the products, access information, and built their trust. The main objective of this study is to analyze the relationship of product's perceived value, Instagram content, and customer trust to the purchase intention. This research can be implemented to attract the purchase intention of second-hand clothing on Instagram for second-hand sellers. After reading previous studies, the researcher continue to analyze the relationship by using quantitative method through survey. The questionnaires are distributed to customers of second-hand clothing that purchased it through Instagram who live in Jakarta/Bandung. The sample consists of 247 respondents which later will complete a five-point Likert scale questionnaire. In this research, the independent variables are perceived value of the product, Instagram content, and customer trust. While the dependent variable is purchase intention. The multiple regression analysis on SPSS 24 is used to analyze the relationship between the independent variables with the dependent variable. The result of this research shows that the perceived value of the product does not have relationship to the purchase intention, while Instagram content and customer trust are significantly positive on having relationship with the purchase intention of second-hand clothing through Instagram. Informative content (clear, adequate, complete, and good language of delivering information), attractive content (interesting, educative, and consistent) on Instagram, and building customer trust will make the customers to consider, intend, and recommending others to purchase.

Keywords: second-hand clothing, perceived value, instagram content, customer trust, purchase intention

Online Store Promotional Mix on Instagram: An Exploratory Study

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ABSTRACT

The high number of internet users are now making social media as a way to communicate. Instagram is a social media with the seventh largest users in the world and has a significant growth in the past 12 months. Some of sellers also use social media as a medium for selling their product. Unfortunately to date, there is only a dearth of research which discuss the promotional mix using social media. The study aims to examine types of promotional mix used by online stores through Instagram. This study used qualitative method using ethnographic approach and Focus Group Discussion. The study finding shows some promotions done by muslimah fashion online store in Instagram are: Instagram Advertising, Shout out For Shout out, Paid Promote, Paid “Keroyok”, Spam Like, Spam Comment, Spam Follow, and endorsement. With the presence of social media, there are several ways that online stores do to promote their Instagram account. Promotions done by the online stores must be done several ways simultaneously so the campaign can be run effectively.

Keywords: promotional mix, online store, instagram

RFM Segmentation Using Big Data Analytics on Digital Store

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ABSTRACT

With the technology, companies can make some future program to maximize their resources. One of them to utilize technology is doing data analytics with big data. With big data, companies can make a segmentation for efficiency and effectively marketing program. This research aims to identify RFM (Recency, Frequency, Monetary) segmentation on makeup online store in Indonesia using big data analytics. The purpose of RFM is to know the most valuable segmentation and the worst valuable segmentation so marketer can make a strategy based on each segment. This research uses RFM (Recency, Frequency, and Monetary) analysis and then uses K-Means Clustering with Hierarchical Clustering as the way to find k values. This study uses transaction on Makeupuccino (one of makeup online store in Indonesia) during 2017 to get RFM segmentation. The result shows that the best RFM segmentation for makeup online store in Indonesia is 4, which divided into Platinum, Gold, Iron, and Lead. The most valuable segment is Platinum Segment and the worst valuable segment is Lead Segment. The conclusion of this research is that each segment has different marketing objective and marketing program. Company should more concern to Platinum segment than other segment because Platinum Segment is the most valuable. With segmentation, company can increase its sales because each segment has its own marketing strategy.

Keywords: RFM, k-means, hierarchical analysis, online store, big data analytics

A Grounded Theory of Consumer Learning Upon Perceived Value of Communication of Beauty Vlogs

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ABSTRACT

The existence of beauty vloggers has become prevalent nowadays. Marketers are utilizing beauty vloggers' power to promote their product towards customers through content marketing strategy in a form of vlog. That one particular marketing communication strategy would give certain value of communication towards consumer for specific purpose, including their learning process. Understanding consumer learning process is highly important for marketers to further understand the potential insights for future communication strategy making thus consumers would be more catered and satisfied upon their learning process, which eventually would result into higher possibility of adopting the product. The purpose of this study is to create a grounded theory of consumer learning process upon perceived value of communication extracted from watching beauty vlogs. This study is utilizing qualitative approach with constructivist grounded theory methodology. In-depth interview was done to generate data. Initial coding, focused coding, constant comparative analysis, diagramming, and theory building is the design of this research. There are three learning dimensions within consumer learning process. Dimension I: Learning is being present online, Dimension II: Learning is about interaction and practice, and Dimension III: Learning is being present offline. The study also found the affecting factors within that consumer learning process. The constructed grounded theory has both theoretical implication for further research as well as practical implication for marketers to further maximize their communication strategy.

Keywords: grounded theory, consumer learning, value of communication

Understanding Driving Factors behind Customer Purchase Intention on Organic Vegetables in Bandung for Better Marketing Strategy

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ABSTRACT

Over the past few years, the global demand of organic products has reached a new height. Organic market is the biggest growth in the food industry globally, and Asia Pacific will record to have the highest in 2016 – 2025. The increase in growth of organic market also can be seen in Indonesia. This study intends to better understand factors behind customer's purchase intention on organic vegetable. The factors will be used as baseline to better design a marketing strategy that fits into consumer's interests. It will highlight the importance therefore use of digital application to enhance customer access to the market and products. The research uses quantitative approach by using questionnaires as its instruments, with the participation of 100 male and female respondents in their productive age. Data analysis uses multiple linear regressions that are processed using SPSS. The research shown organic vegetable consumers are mostly women and respondents are mostly own undergraduate degree. Respondents tend to purchase their organic vegetables in supermarkets, not much different in number with those who buy from local farmers. The research uses four factors to look at in the research, which consist of health benefits, taste, environmental awareness and high purchasing power. The research finds taste as the biggest factor (31.1%) in driving the purchase intention, then followed by environmental awareness (27.4%), health and high purchasing power (each 21%). Using the above findings, the author will develop a marketing strategy for better market access. Several venues are used, the first being, is to develop an online sale and marketing platform for wide access. The platform also will contain public education about the importance of organic, upstream and downstream aspects including certification. It will have a live chat forum where customers can ask questions about organic in general. This awareness building will serve as a push factor to increase the demand to buy organic. The online platform will add value to common practice of buying either in supermarkets or traditional markets.

Keywords: driving factors, organic vegetable, purchase intention, marketing strategy, creative economy, and digital world

Customer Gap Analysis Comparison Using The Servqual Method for Online Taxi and Conventional Taxi Service in Bandung

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ABSTRACT

Advances in information and communication technology especially on the use of the Internet, it has several implications for various aspects in our life. One of them is to the business aspect, the Internet has changed the way of doing business. As one of many aspects that plays a major role in our lives, the modes of transportation are also affected by changes in the way of doing business which caused by advances in information and communication technology. As one of the heavily populated and metropolitan city in Indonesia, the need for public transportation becomes an essential requirement for the people in Bandung. Taxi became one of the common public transportation modes that used in Bandung. If we categorize, there are two kinds of taxi service providers used by customers in Bandung now that is online taxi services and conventional taxi services. The competition between the two sides can be good for the customers. That competition can be the trigger to both taxi services provider to provide the best service quality for the customers. This research conducted to investigate the quality of services and find out the main indicator of services quality of both online taxi services provider and conventional taxi services provider which become the priority for the customers in Bandung. To achieve the objectives, this research uses the SERVQUAL method as the foundation of the main theory. The methodology that used for this research is quantitative approach by developing questionnaire items based on the 5-likert scales to assess the customer perception, customer expectation, and customer gap. The questionnaire for this research consisted of 48 question items. Then, this research uses 408 respondents. From the findings in this research, the critical dimension that need to be improve is assurance and reliability dimension for online taxi services provider. Then, the critical dimension for conventional taxi services provider that need to be improve is reliability, assurance, responsiveness, and tangible dimension.

Keywords: village fund allocation (ADD), income inequality, random effect model (REM)

Consumers' Attitude Toward Smartphone Advertising: A Model of Web Advertising, Flow Experience, and Frequency of Exposure

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ABSTRACT

The era of technology development followed by the proliferation of new media, such as smartphones, has been new opportunities for the company. Mobile devices are no longer seen only from their use in communicating through voice and text messaging, but also as a medium, that plays a critical role in conveying marketing messages. Advertising becomes one of the areas that have changed towards digitalization. In utilizing such situations, the marketer or practitioner must be able to identify how consumer attitudes toward the advertisements, in order to make the marketing message be delivered effectively by considering the content, frequency of exposure, and the audience involvement. The purpose of this study is to examine factors that influence consumer' attitude towards smartphone advertising using web advertising model, flow experience and frequency of exposure. 120 respondents were gathered from smartphone users in Indonesia through convenient sampling methods. Structural Equation Modeling (SEM) is used to examine consumers' attitude toward smartphone advertising.

Keywords: Web advertising model, Flow experience, Frequency of exposure, Attitude towards smartphone advertising

Industry 4.0 and Gen Z: A Revolution and A Challenge Company Cannot Ignore to Build E-Loyalty

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ABSTRACT

Last decades, Internet has changed human life in many sectors. Innovations are taking place at very fast pace, particularly in information and technology. One of the changes is a new paradigm shift in companies from traditional business model to e-business model. Generation Z (Gen Z) is the largest audience segment who highly influenced by Internet. The generation affects ways of companies run their business. This issue is compounded by the presence of fourth industrial revolution (Industry 4.0) that ask company to change its business model. This study examined the relationship of E-Service Quality, Online Customer Value, Satisfaction and Loyalty. Two hundred forty one Gen Z respondents have participated in this study. PLS 3, Sobel and SPSS 23 were employed to analyze the data. Four hypotheses proposed in this study were supported. The findings showed that E-Service Quality was good predictor of Online Customer Value and Satisfaction. In addition, the results confirm the mediating role of Online Customer Value between E-Service Quality and E-Satisfaction, as well as clarify the relationship among Online Customer Value and E-Satisfaction. Finally, the effect of E-Satisfaction on E-Loyalty has been proven in this study. By knowing the issue, companies can re-think their business model to adopt fourth industrial revolution that may strengthen companies' capacity in tight competition. In order to target Gen Z who is very used to access and to shop through Internet, companies must provide excellent quality in their websites and create values including economic, social and functional values. Both are two key factors to attain Gen Z E-Satisfaction that will lead to Gen Z E-Loyalty.

Keywords: E-Service Quality, Online Customer Value, E-Satisfaction, E-Loyalty, Generation Z.

Drivers of Viral Marketing Attitude and Its Implications Toward Mobile Viral Marketing Intention: Research on Chatting Platform Context

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ABSTRACT

Internet users, especially younger ones, spend a lot of time on the Internet to interact with others through various channels and applications such as e-mail, instant messaging, and even online games. The growing use of mobile devices today makes the interaction between individuals online becomes easier and more intense. One of the implications of this condition is the phenomenon of spreading viral video content through mobile devices. This provides various impacts for both consumers and marketers. This research attempts to continue several prior research efforts through empirical testing of a mobile viral marketing synthesis model in the Indonesian context. On the one hand, this research attempts to empirically examine the role of perceived usefulness, perceived ease of use, perceived cost, and perceived enjoyment toward viral marketing attitude in the mobile context, and its implications toward mobile viral marketing intention. On the other hand, this study also seeks to examine the impact of altruism toward mobile viral marketing intention of the younger generation in Indonesia, especially on the Line chatting platform context. This research uses descriptive research design approach with empirical data collected through online survey of young generation samples in Indonesia. Empirical data is then processed using Structural Equation Modeling approach to test a number of hypotheses proposed. The results of hypothesis testing in this study indicate that perceived usefulness, perceived ease of use, and perceived enjoyment have a significant positive effect on mobile viral marketing attitude of consumers. On the other hand, altruism also shows a significant positive effect on mobile viral marketing intention. Meanwhile, the negative impact of perceived cost on viral marketing attitude was not proven in this study. All of the research hypotheses proposed in this study are supported by empirical data that has been collected, except for the hypothesis of perceived cost influence on mobile viral marketing attitude. This is thought to be a contextual fact on a sample of the younger generation. Perceived enjoyment and perceived usefulness are two dominant aspects in shaping viral marketing attitude.

Keywords: Mobile Viral Marketing, eWOM, usefulness, ease of use, enjoyment

Effects of Visual Servicescape Aesthetics on Consumer Preference: A Study of Theme Restaurant

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ABSTRACT

The competition between restaurant industries in Indonesia has gone fiercer day by day. In order to survive in the industry, restaurants in Indonesia need to differentiate themselves and make the best visual servicescape aesthetics to be more appealing and pleasing considering that these days customer tend to use their hedonic motives more than utilitarian motives when buying or choosing products and services. Looking at recent phenomenon, this research is going to study the effect of visual servicescape aesthetics towards consumer preference on theme restaurant because the lack of studies available in this field despite of the importance of the topic in professional business field. Moreover, this research is going to find the significant direct effects between visual servicescape aesthetics dimensions, which are legibility, mystery, coherence, complexity, and novelty towards consumer preference through pleasure as the mediating variable. The data was collected from 387 respondents using quantitative approach. Each respondents was required to fill questionnaire consists of three set of images of theme restaurant followed with corresponding questionnaires. The data was assessed by using PLS-SEM method with the help of SmartPLS. The findings indicate that there are four elements of visual servicescape aesthetics that significantly effects pleasure (legibility, mystery, coherence, and novelty) and two elements of visual servicescape aesthetics that have positive impact to restaurant preference (coherence and novelty). In addition, it was founded that pleasure positively affect consumer preference on theme restaurant, too. The result of this result can be used as an effective guide for restaurant manager put more effort on enhancing the preferable variables of visual servicescape aesthetics. Thus, an effective servicescape design can be attained and help to attract and retain more customer.

Keywords: visual servicescape aesthetics, pleasure, consumer preference, theme restaurant

The Measurement of Emotional Evoked from A Web Series: Case of Tropicana Slim's Sore, Istri Dari Masa Depan

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ABSTRACT

Web series had massively grow as one of promotional tools that successfully attract millions viewers. The concept of web series that aired in every specific period of time increase the intensity of interaction between viewers to the brand featured in the web series that supposed to be attachment. Meanwhile, emotional evoked is important because emotion is part of important decision-making process, thus many campaigners did design specific emotion for each of campaign. Many web series that launched lately but there is limited research that explore about the web series and its emotional evoke. This research used web series SORE: Istri Dari Masa Depan as an object of research after considering its existence as one of successful web series in Indonesia. This current research is purposed to measure viewer emotional evoke from a web series along with the stimulated object that trigger the emotion. In addition, this research examined the most preferable approach of emotional evoked that suitable with Indonesia condition. This research used qualitative approach using phenomenology method that the data analysis was divided into two steps which are transcendental phenomenological reduction and double manual coding (for Desmet, 2012 approach and Thomson, 2005 approach for emotional evoked) for all respondent's responses. This research used data validation technique that is researcher triangulation. The researched found positive emotions regarding the web series SORE shown the percentage of 96,983%, only 3.017% of them express negative emotions. According to Desmet approach, the most frequent emotions evoked from web series are joy, fascination, and admiration. Meanwhile, according to Thomson approach the emotion of delighted, affectionate, and loved appeared the most. The research found language barrier of Indonesian tend to express their feeling or responses in high context communication style that made it more preferable to use Desmet approach for measuring emotional evoked in Indonesia.

Keywords: Marketing, Positive Emotions, Emotional Evoke, Web Series, YouTube

Purchase Intention Umrah Travel E-Commerce in Indonesia

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ABSTRACT

Recently there are umrah travel fraud phenomenon in Indonesia, involving more than a hundred victims. This fraud phenomenon create insecurity feeling among Muslim. Digital industry offering umrah travel e-commerce as an alternative of solution. Beside of be a third part of umrah purchasing, umrah e-commerce could be an effective place to accessed information about umrah package around Indonesia. Although it has advantages, umrah e-commerce also has challenges to gain purchase intention of customers since umrah e-commerce is not familiar yet in Indonesia. The objective of this study is to identify variables that give positive effect to umrah e-commerce purchase intention. Those variables could be used by umrah e-commerce company to arranged strategy in order to gain customer purchase intention. Quantitative research and Convenience Sampling method used in this study to gain information from respondents. The data processed by using SmartPLS2 to gain the objective of the study. Result of this study indicates variables that affecting umrah e-commerce are, first, Perceived of Convenience, refers to how umrah e-commerce could reduce the effort and time of customer to purchase the umrah service. Second is, Online Trust, refers to trustworthiness of umrah e-commerce in customers perception. Third, Payment System refers to safety and convenience of the payment process. Fourth, Brand Equity, refers to how consumers perception about the umrah e-commerce. Lastly is Website Quality, refers to convenience of customers while access the website. Those five variables arranged into a structural scheme that could be used by umrah e-commerce or related business to devise the strategy to gain customers purchase intention.

Keywords: Umrah Travel, Islamic Business, Halal Travel, E-Commerce, Purchase Intention

Storytelling Marketing in Slow Fashion Company; Does It Matter?

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ABSTRACT

Creative economy is expected to be the national economic power, and fashion industry is contribute greatly. The growth of fashion industry drive some impact, and currently it industry become the second polluter industry in the world. Those deviances create a notion called slow fashion. Being more environmentally and socially responsible, slow fashion companies want to deliver its value to their consumer using customer's education to solve the root problem of fashion today; addiction to consumption. In order to do that the companies can start with building a storytelling. Storytelling is a communication form to help building relationship with audiences. Feedbacks from audiences needed to create stories that are more effective. In this research, the audiences are consumers. As a new notion in Indonesia, the researcher wants to explore how Indonesia slow fashion business process and what's value for developing storytelling marketing. The researchers want to compare the designed storytelling make by Indonesia slow fashion companies and the consumers considered as important factors. This research can be utilized to increase the awareness of slow fashion in Indonesia by developed a content with consumer's feedback. Conduct qualitative research using semi-structured interview with four founders of slow fashion company in Indonesia. In addition, quantitative research using a questionnaire of 282 Instagram followers of the chosen companies conducted to measures the important factors in storytelling using descriptive statistic. The theoretical foundation about the storytelling narratives, the factors of success storytelling, and slow fashion collected from literature as the guidelines of this research. To gain the result the data is analysed using framework analysis and descriptive statistic. The results of this research show slow fashion in Indonesia focuses on heritage and local resources. With seven values of them are quality over quantity, handmade, the process is a must, waste management, collaboration, transparent, and wabi-sabi. Using storytelling to deliver value, build from internal inspiration and focuses on product, process, and person knowledge. Using offline and online (social media and in-house website) channel to deliver its story. A reward-based story becomes the most important factors in storytelling, with the visual as the priority of storytelling form. Activating human senses and motivate them to act more in a visual medium through social media to make them act more about the ideology of slow fashion is the content that will increase the awareness of slow fashion in Indonesia.

Keywords: consumers, important factors in storytelling, slow fashion, storytelling, consumers educations.

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