



Accredited by RISTEKDIKTI (SINTA 2)  
30/E/KPT/2018

JURNAL

# Bisnis dan MANAJEMEN

## **LOCATION-BASED ADVERTISING: INTRUSIVENESS AND IRRITATION**

Senny Handayani Suarsa

## **MULTIGROUP ANALYSIS IN SUPPLY CHAIN PERFORMANCE**

Erna Mulyati

## **MARKET ATTRACTION AND CAPABILITY FACTORS IN IMPROVING MARKETING PERFORMANCE THROUGH STRATEGIC DEVELOPMENT**

Rahayu Kusumadewi

## **EFFECT OF TOURIST CHARACTERISTICS AND RESOURCES ON IMAGE: STUDY OF CILETUH GEODIVERSITY AREA SUKABUMI**

Ernie Tisnawati Sule

## **SMES' E-COMMERCE ADOPTION TOWARDS CONSUMER EXPERIENCE**

Nuryanti Taufik, Faizal Haris Eko Prabowo, Alicia Deana Santosa, Andina Eka Mandasari

## **IMPACT OF INCOME, CONSUMPTION, SAVING, AND NUMBER OF ZAKAT MANAGEMENT ORGANIZATIONS ON THE ZAKAT FUND COLLECTION**

Deru R Indika, Sarah Nur Fauziyyah Himawan, Egi Arvian Firmansyah

Edisi September 2020

Volume 21 Nomor 2

ISSN 1412 - 3681 (*print*)

ISSN 2442-4617 (*online*)

<http://journal.feb.unpad.ac.id/index.php/jbm>

**Diterbitkan oleh:** Departemen Manajemen dan Bisnis Fakultas Ekonomi dan Bisnis Universitas Padjadjaran



## Jurnal Bisnis dan Manajemen

Accredited by RISTEKDIKTI (SINTA 2)

30/E/KPT/2018

Editor in Chief	: Yudi Azis, SCOPUS ID: 36705674300, Universitas Padjadjaran
Editorial Board	: Egi Arvian Firmansyah, SCOPUS ID: 57216978125, Universitas Padjadjaran
	: Dina Sartika, SINTA ID: 6174098, Universitas Padjadjaran
	: Haider Muhammad Abdul Sahib, University of Karbala
	: Layyinaturobbaniyah, SCOPUS ID: 57192388917, Universitas Padjadjaran
	: Deru R Indika, SINTA ID: 5991796, Universitas Padjadjaran
	: Ardi Gunardi, SCOPUS ID: 57191667735, Universitas Pasundan
Peer Reviewers	: Sulaeman Rahman Nidar, SCOPUS ID: 57190262059, Universitas Padjadjaran
	: Mokhamad Anwar, SCOPUS ID: 56116980700, Universitas Padjadjaran
	: Richardus Eko Indrajit, SCOPUS ID: 57090804500, Perbanas Institute
	: Aldrin Herwany, SCOPUS ID: 36815920800, Universitas Padjadjaran
	: Imas Soemaryani, SCOPUS ID: 56820107900, Universitas Padjadjaran
	: Dedy Sushandoyo, SCOPUS ID: 27467982400, Institut Teknologi Bandung
	: Murniati Mukhlisin, SCOPUS ID: 57008083900, STEI Tazkia
	: Umi Kaltum, SCOPUS ID: 57192389973, Universitas Padjadjaran
	: Mery Citra Sondari, SCOPUS ID: 57191037755, Universitas Padjadjaran
	: Yunizar, SCOPUS ID: 57192540846, Universitas Padjadjaran
	: MinHye Lee, Winchester University, United Kingdom
	: Rita Komaladewi, SCOPUS ID: 56610226600, Universitas Padjadjaran
	: Sunu Widiyanto, SCOPUS ID: 55928498000, Universitas Padjadjaran, Indonesia
	: Nora Amelda Rizal, SCOPUS ID: 56429577300, Universitas Telkom
	: Vanessa Gaffar, SCOPUS ID: 57193739131, Universitas Pendidikan Indonesia
Business Manager	: Saepuloh
Layout	: Ai Anita Nurlaela
Editorial office	: Jln. Hayam Wuruk (Cimandiri) no. 8, Bandung 40115. Phone: (022) 4239954 Email: <a href="mailto:jbm@fe.unpad.ac.id">jbm@fe.unpad.ac.id</a> Website: <a href="http://journal.feb.unpad.ac.id/index.php/jbm">http://journal.feb.unpad.ac.id/index.php/jbm</a>
Publisher	: Department of Management and Business Faculty of Economics and Business, Universitas Padjadjaran, Indonesia (Managed by LMFE UNPAD)

ISSN: 1412-3681 (*print*) | ISSN: 2442-4617 (*online*)

Edisi September 2020 Volume 21 Nomor 2

p. 88-165

# Daftar Isi

Vol. 21 No. 2

Jurnal Bisnis dan Manajemen

September 2020

<b>LOCATION-BASED ADVERTISING: INTRUSIVENESS AND IRRITATION</b> Senny Handayani Suarsa	88-99
<b>MULTIGROUP ANALYSIS IN SUPPLY CHAIN PERFORMANCE</b> Erna Mulyati	100-113
<b>MARKET ATTRACTION AND CAPABILITY FACTORS IN IMPROVING MARKETING PERFORMANCE THROUGH STRATEGIC DEVELOPMENT</b> Rahayu Kusumadewi	114-128
<b>EFFECT OF TOURIST CHARACTERISTICS AND RESOURCES ON IMAGE: STUDY OF CILETUH GEODIVERSITY AREA SUKABUMI</b> Ernie Tisnawati Sule	129-143
<b>SMES' E-COMMERCE ADOPTION TOWARDS CONSUMER EXPERIENCE</b> Nuryanti Taufik, Faizal Haris Eko Prabowo, Allicia Deana Santosa, Andina Eka Mandasari	144-155
<b>IMPACT OF INCOME, CONSUMPTION, SAVING, AND NUMBER OF ZAKAT MANAGEMENT ORGANIZATIONS ON THE ZAKAT FUND COLLECTION</b> Deru R Indika, Sarah Nur Fauziyyah Himawan, Egi Arvian Firmansyah	156-165

## LOCATION-BASED ADVERTISING: INTRUSIVENESS AND IRRITATION

Senny Handayani Suarsa <sup>1</sup>  
Politeknik Pos, Indonesia

### ABSTRACT

Location-based Advertising (LBA) is a marketing strategy using cellular devices such as smartphones to offer products to potential customers at the nearest sales or service location. Intrusiveness and irritation are disorders that appear in the LBA. The conceptual framework of the research is built on the Advertising Avoidance Theory. Data collection was carried out with a self-administered survey involving 356 Politeknik Pos Indonesia students. The results showed that Intrusiveness and Irritation had a positive and significant effect on consumer attitudes toward LBA messages. Meanwhile, Intrusiveness has a negative and significant impact on consumer purchase intention, while irritation has a positive and significant impact on purchase intention. The more positive consumer attitudes towards LBA, the more positive the consumer's intention to buy.

**Keywords:** location-based advertising, intrusiveness, irritation, attitude to advertising, purchase intention

## LOCATION-BASED ADVERTISING: INTRUSIVE DAN IRITASI

### Abstrak

*Location-based Advertising (LBA) adalah strategi pemasaran dengan menggunakan perangkat seluler seperti smartphone untuk menawarkan produk kepada pelanggan potensial di lokasi penjualan atau layanan terdekat. Intrusiveness dan irritation merupakan gangguan-gangguan yang muncul dalam LBA. Kerangka konseptual penelitian dibangun berdasarkan Advertising Avoidance Theory. Dimana pengumpulan data dilakukan dengan self-administered survey dengan melibatkan 356 mahasiswa Politeknik Pos Indonesia. Hasil penelitian menunjukkan bahwa Intrusiveness dan Irritation berpengaruh secara positif dan signifikan terhadap sikap konsumen terhadap pesan LBA. Sementara itu Intrusiveness memberikan dampak yang negatif dan signifikan terhadap minat membeli konsumen, dan irritation memberikan dampak positif dan signifikan terhadap minat membeli. Begitu pula semakin positif sikap konsumen pada LBA, semakin positif pula niat konsumen untuk membeli.*

**Kata-kata Kunci:** Location-Based Advertising, intrusiveness, irritation, sikap terhadap iklan, niat beli

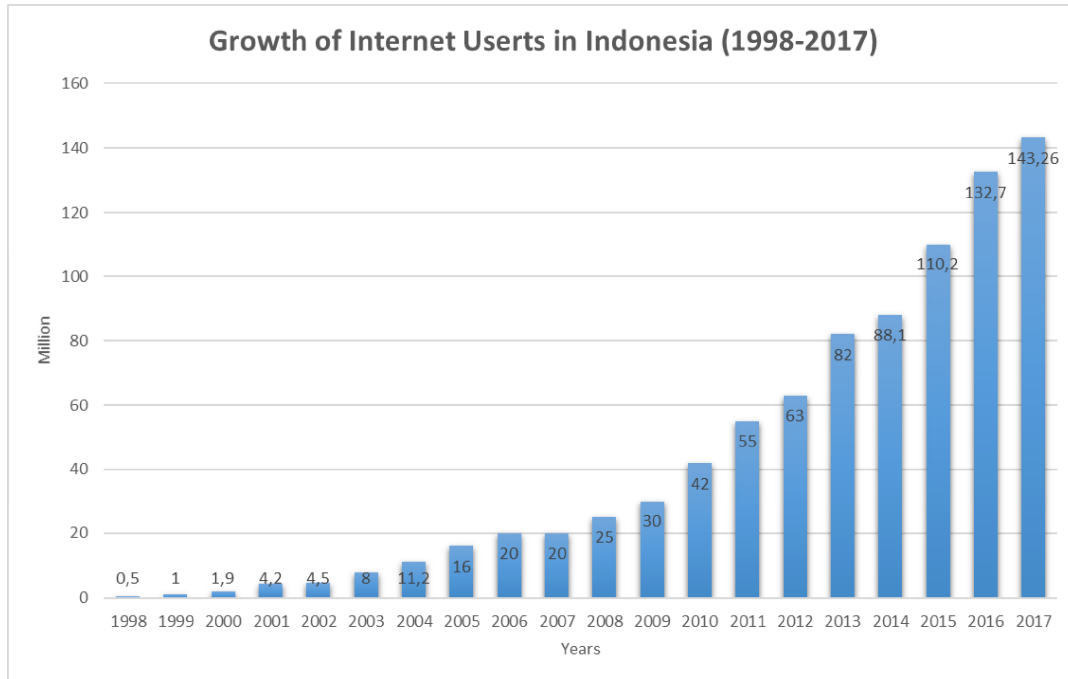
---

<sup>1</sup> **Korespondensi:** Senny Handayani Suarsa, SE., MM. Politeknik Pos Indonesia. Jln. Sariasih No.54, Sarijadi, Sukasari, Kota Bandung, Jawa Barat 40151. Email: sennyhandayani@upi.edu

## INTRODUCTION

Indonesia is one of the countries with the largest number of internet users in the world. Based on the Indonesian Internet Service Providers Association

(APJII) in 2017, the number of internet users in Indonesia reached 143.26 million, as shown in Figure 1.



**Figure 1. Growth of Internet Users in Indonesia (1998-2017)**

Source: (APJII, 2017)

This significant growth is supported by data showing that the majority (93.9%) of Indonesians access the internet via smartphones, thus driving the increase in internet users in Indonesia (APJII, 2018). Therefore, marketers use that way to advertise on online media is by implementing mobile advertising or placing ads on devices that have high mobility and are often carried by consumers (Bart, Stephen, & Sarvary, 2014). There are several ways marketers can take to implement mobile advertising; among them are pop-up advertising, mobile online banners, mobile display advertising, mobile advergames, location-based advertising, and others.

One form of advertising that is popular and made possible by the combination of the Internet and smartphones is location-based advertising (LBA). LBA is a marketing strategy using cellular devices such as smartphones to offer products to potential customers at the nearest sales or service location. In general, LBA refers to information controlled by marketers created where users access advertisements (Bruner & Kumar, 2007). LBA aims to eliminate geographical barriers and information between consumers and market offerings by reaching buyers when they are near the advertiser's location. Even though such contextual advertising

seems comfortable, it can also be considered annoying. Some recipients will decide to ignore it because they see from a notification that appears from their cell phone and realizes it is only an advertisement (Pramodhana & Sari, 2017).

The nature of the LBA that suddenly appears on the screen of a smartphone when a customer is somewhere might cause some consequences. On the other hand, the existence of LBA can make it easier for customers to get information about promotions from certain merchants somewhere; besides that LBA has the potential to disrupt customers' convenience because its appearance is not necessarily desired, so some customers consider it spam (Bruner & Kumar, 2007). Similarly, Chowdhury, Parvin, Weitenberner, & Becker (2006) stated that mobile advertising sometimes presents information that is confusing and disliked by the recipient of the ad, so the recipient considers it useless information. When consumers are confused and feel annoyed with advertising, consumers will react to the opposite of what the advertiser wants. Consumer perceptions of mobile advertising tend to be negative because certain formats that consumers consider are disturbing (Bittner & Zondervan, 2015).

In a study of consumers in America, it was found that intrusiveness was the main cause that made advertising annoying (Logan, 2013). The intrusiveness perception arises because the presence of advertisements tends to force consumers to stop all activities they are doing in an online environment. This situation also raises negative emotions or consumer irritation (Lee, Kim, Lim, &

Kim, 2015). Research conducted by Billore (2015) found that advertisements placed on LBA generate disturbing feelings that negatively impact consumer attitudes towards advertising and intention to buy. In this study, we try to determine the relationship between intrusiveness and irritation to purchase intentions.

## LITERATUR REVIEW

### *Mobile Advertising*

Advertising communication aims to reach the target audience, increase brand recall, and increase sales (Chowdhury et al., 2006). There are two factors for developing this strategy: (1) how the communication channels are used and (2) how the behavior of the channels used by the audience (Dholakia, 2004). Therefore, to get the attention of the target audience, advertisers need to choose the right media.

In general, mobile advertising is the transmission of advertisements via mobile devices (Yang, 2007). Cellular advertising refers to advertising messages via mobile devices such as cell phones (Haghirian & Madlberger, 2005). Since mobile phones are highly personal devices that allow a person to be accessed virtually anywhere and anytime, mobile advertising needs to be more personal and can take different forms.

Globally, the high rate of cell phone penetration has resulted in increased use of mobile advertisements to market products and services. Mobile advertising is different from traditional media advertising. Among them are (a) interactive and (b) personal targets (Bauer, Reichardt, Barnes,

& Neumann, 2005). Interactivity here means to provide the ability for users to "select and respond to" certain advertisements they like (Pavlou & Stewart, 2000).

### ***Location-Based Advertising***

LBA is information that is controlled by marketers who are adjusted for the geographical position of the recipient and accepted on cellular communication devices (Bauer et al., 2005).

Based on the conceptual model of Aaron Gazley, Adam Hunt, and Lachlan McLaren, LBA has elements that influence attitudes to purchase intentions (Gazley et al., 2015). There are six LBA elements: Message Type, Permission, Customization, Involvement, Intrusiveness, and Timing. In contrast, the LBA model of Ducoffe (1996) adds an element of Irritation in it (Tsang, Ho, & Liang, 2004). Intrusiveness is the feeling of being disturbed or disturbed by consumers when doing an activity (Goodrich, Schiller, & Galletta, 2015). At the same time, Irritation is consumer negative emotions expressed in the form of anger or irritation (Martí-Parreño, Aldás-Manzano, Currás-Pérez, & Sánchez-García, 2013).

The researcher took only two elements under study, namely intrusiveness and irritation. The reason is that these two elements are the harmful elements of several components that have been studied before on consumer attitudes towards advertising, so this is what makes this research novelty.

### ***Attitude on Advertising***

Attitude toward advertising is defined as "a tendency to respond in a like or dislike behavior to an advertisement in a certain condition" (MacKenzie, Lutz, & Belch, 1986). Attitude toward advertising is defined as "a tendency to respond in a like or dislike behavior to an advertisement in a certain condition" (MacKenzie & Lutz, 1989). Concerning the world of the advertising industry, take an attitude towards the advertising viewpoint as a tool to see consumer behavior towards an advertisement (Greyser & Bauer, 1966).

Whereas Bruner & Kumar (2007) state that one's attitude towards location-based advertising is defined as one's general tendency towards commercial messages received on personal cellular communication devices and adjusted for one's geographical position. Some opinions may be that someone's attitude towards LBA is positive, and some are negative. Some consider it like a miracle and be happy, but on the other hand, it is also seen as pessimistic. Those who tend to be pessimistic about life are more likely to have negative attitudes about the LBA (Bruner & Kumar, 2007). Those who tend to be pessimistic about life are more likely to have negative attitudes about LBA (Bruner & Kumar, 2007).

The dimensions of attitude towards advertising used in this study are dimensions based on Ramaprasad (2001) and Brackett & Carr (2001), which are as follows. First is credibility, namely, the clarity of the message content conveyed through the advertisements used. Second is informative, namely,

the clarity of product information provided through the advertisement used. Based on the description above, the following hypotheses are arranged:

H1: Intrusiveness has negative effects on consumer attitudes towards advertising.

H2: Irritation has negative effects on consumer attitudes towards advertising.

### ***Purchase Intention***

The intention to buy is the tendency of consumers to buy a brand or take action related to a purchase that is measured by the level of possibility that consumers make a purchase. It can be related to consumer behavior and their attitude in responding to product offerings. Kotler & Keller (2016) define it as an essential key point for consumers while considering and evaluating certain products (Kusumasondjaja, 2016). The intention of purchase consumers can largely be influenced by their perceptions and also by attitudes not to avoid advertisements.

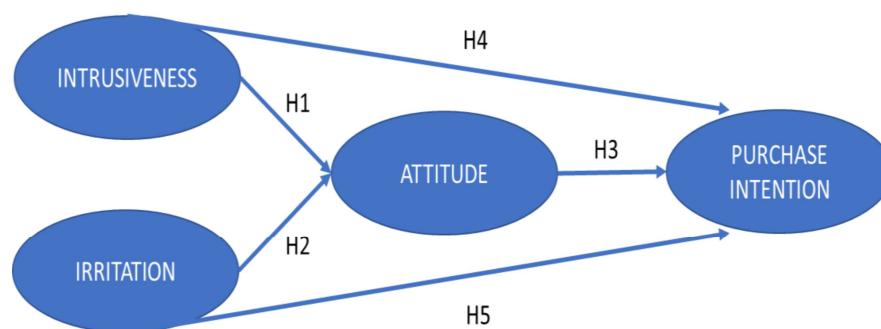
The purchase intention dimension used is a dimension based on (Gazley et al., 2015). Dimensions used to consist of a) the tendency of consumers to want to buy a product, b) consumer behavior as a primary preference for the product, and c. consumer behavior for always looking for information about the product of interest. Based on the description above, the following hypotheses are arranged:

H3: Consumer attitudes on Advertising have a positive effect on purchase intention

H4: Intrusiveness has a negative effect on purchase intention.

H5: Irritation has a negative effect on purchase intention.

The research model showing the relationship between all variables which have been discussed above is presented in Figure 2.



**Figure 2. Research Model**



## METHODS

Based on the problem to be answered, this research can be categorized as explanatory research using survey research designs. This type of research aims to obtain an explanation of the relationship between intrusiveness, irritation, attitude, and purchase intention. The objects of this research are Irritation and Intrusiveness as independent variables, Attitudes towards Advertising as intervening variables, and purchase intention as the dependent variable (Y). The variables in this study are shown in Table 1.

The data collection process was carried out at Polytechnic Pos Indonesia Jln. Sariasih No. 54 Bandung, with students as respondents. The

questionnaire was distributed to respondents using a self-administered survey approach. Screening questions are asked before the questionnaire is submitted to ensure compliance with the expected characteristics of the respondents and we used semantic differential scale with 7 point likert scale.

The sample for this study was 356 Politeknik Pos Indonesia students. Data were collected through an online questionnaire. In measuring the items representing the constructs shown in the research model and Table 1.

This study used path analysis with Cronbach's alpha for reliability and product-moment correlation for validity. Amos and SPSS version 23 was applied in analyzing the data.

**Table. 1 Operationalization of Variables**

Construct	Definition of operational	Indicators
Intrusiveness	Intrusiveness is the feeling of being disturbed or disturbed by consumers when doing an activity  (Goodrich et al., 2015)	1. The advert distracts me from the activity at hand 2. The ad is distracting me from the action that is being done 3. The advertisement forces me to pay attention to its message
Irritation	Negative consumer emotions expressed in the form of anger or irritation  (Martí-Parreño et al., 2013)	1. These ads irritate me 2. The advertisement made me angry
Attitude toward Advertising	The tendency to respond in a like or dislike behavior to an advertisement under certain conditions  (MacKenzie et al., 1986)	1. Clarity of message content conveyed through advertisements 2. Clarity of product information gave through advertisements 3. My interest in the ad delivered
Purchase Intention	Individual tendency to make purchases on advertised products  (Gazley et al., 2015)	1. The possibility that I purchased the advertised product 2. My belief in buying the advertised product 3. If I am looking for a product and then I get a message about that product, then I probably bought the product advertised 4. I might consider purchasing the advertised product 5. My willingness to accept the advertised product

## RESULTS AND DISCUSSION

### *Profile of Respondents*

The following table shows the demographic information of the respondents in this study.

**Table 2. Demographic Information of Respondents**

Measure	Items	Frequency	Percent
Gender	Female	229	64,3%
Cellular Operator Used by Respondents	Telkomsel	213	59,8%
	XL	59	16,6%
	Tri	42	11,8%
	Indosat	33	9,2%
	SmrtFren	9	2,5%
Frequency LBA Ad viewed by Respondents	1-3 times/day	287	80,6%
	4-6 times/day	54	15,2%
	>6 times/day	15	4,2%

Source: Author's own

Female respondents have a dominant contribution, with 229 respondents or 64,3% of the total population. Male respondents contributed 127 individuals of the total individuals. So, it can be concluded that this study was dominated by female respondents. Some psychological studies show that individual behavior can be differentiated by sex. The results showed that women were more willing to adjust to organizational authority than men. In other words, a woman is considered more cooperative than men (Robbins, 2008). Based on this information, the behavior shown by a smartphone user in responding to LBA is influenced by gender. This factor guides user behavior in dealing with LBA messages.

Based on cellular operators used by respondents, 59.8% of respondents used Telkomsel cellular operators, followed by XL at 16.6%, then Tri 42%, Indosat 33%, and SmartFren 9%. Whereas, when viewed from the LBA frequency received, it can be concluded that the majority of respondents that are equal to 80.6%, receive LBA messages on

their smartphones in one day is 1-3 times. This can happen because respondents rarely move around and are in a long time in the same LBA coverage area or region, so there is no LBA message that is different.

### *Intrusiveness*

Based on the results of data analysis on the Intrusiveness variable, the smallest average is that the LBA Receiver's Interference Level of the message delivered. It can be concluded that the average level of annoyance of respondents to LBA is relatively low. That is, it could be because the LBA is delivered using SMS media so that it relatively does not interfere with the activities of the respondents compared to other media, which generally require the concentration of respondents, such as games or web pages. Also, the respondents in this study were students whose majority of their time was spent on campus, so that the LBA exposure was not so obvious, considering that the LBA would only be sent if there were merchants

who worked with the provider and at the same time the respondent was in the exposure area.

While the average intrusiveness variable that has the greatest value is the level of response of respondents from the activity being carried out. It implies that the level of response of respondents to the LBA delivered is relatively low. Respondents tend not to be distracted by the work being done. It can happen because respondents are students who have limited time to open or respond to their smartphone while in class, so their responsiveness to LBA is relatively low, and they may only be able to read LBA messages after finishing lectures or during recess.

Likewise, the Level of Coercion implies that the level of compulsion of respondents to see LBA is low. Respondents tend not to be forced, or there is no compulsion for respondents to see or receive LBA messages on their smartphones. It could even be that the LBA message is what they are waiting for.

So, it can be concluded that the level of intrusiveness of respondents towards LBA messages tends to be low. Respondents consider the LBA message is not disturbing that makes the respondent must divert his attention from the activity being carried out or forced to have to see the LBA message sent.

### ***Irritation***

The smallest average of irritation is the LBA recipient aggravation rate of the message delivered. It implies that the respondent was not annoyed by the LBA message he got. Likewise, about anger

levels, respondents understood that the respondents' anger level towards LBA messages was low.

### ***Attitude***

For the attitude variable, the smallest average is the level of respondents' interest in the LBA message delivered is relatively low. This can happen because LBA messages are delivered via SMS, which is only in the form of texting (plain writing messages that have no additional animation or visualization that shows interactive images or audio that attracts attention), so they are less attractive. Besides that, there is no problem for respondents to understand the contents of the message and the information sent by the LBA message.

### ***Purchase Intention***

The smallest average for Purchase Intention is implied that the probability of the respondent buying the product offered at that time by the LBA message is relatively small. It means that the product or service offered by the LBA is not needed by the respondent so that the respondent ignores the message. It could also be because the message received is just the same product or service because of the low level of mobility of respondents who are only in the campus area and its surroundings. The frequency of respondents receiving LBA messages in one day classified as low, only 1- 3 times. It could be that the LBA message delivered is the same product or service every day, considering that the LBA will only be sent if a merchant is working with the provider. At the same time, the respondent is in the exposure area.

The highest average purchase intention is the probability that the respondent will buy the product offered at that time if the product is the product the respondent is looking for. It means that the likelihood of the respondent purchasing the work that appears in the LBA message being sought or needed by the respondent is relatively high.

### Path Analysis

Table 3 below shows a summary of all the path coefficients of the causal relationship, showing the effects of each variable's direct causal and indirect causal effects.

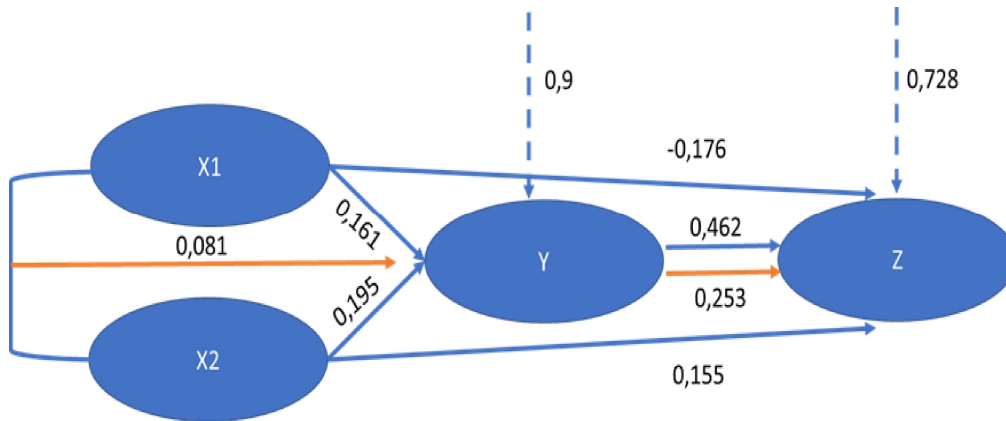
**Table 3. Result of Influence Based on Path Coefficient**

Variable Influence	Path Coefficient	Causal Influence		
		Direct	Indirect	Shared Influence
X1 ----> Y	0,161	0,161	-	-
X2 ----> Y	0,195	0,195	-	-
X1 ----> Z	-0,176	-0,176	$0,161 \times 0,462 = 0,074382$	-
X2 ----> Z	0,155	0,155	$0,195 \times 0,462 = 0,09009$	-
Y ----> Z	0,462	0,462	-	-
X1 & X2 ----> Y	-	-	-	0,081
X1, X2 & Y ----> Z	-	-	-	0,253
$\varepsilon_1$	0,9	0,9	-	-
$\varepsilon_2$	0,728	0,728	-	-

Source: Data Processed using SPSS AMOS 23, 2019

Based on table 3, it can be seen that Intrusiveness (X1) dan Irritation (X2) contribute positively and significantly to Attitude (Y). The intrusiveness (X1) contributes negatively and significantly to purchase intention (Z). This means that the higher the Intrusiveness, the less the purchase intention. Irritation (X2) contributes positively and significantly to purchase intention (Z), and the latest is attitude (Y) can significantly influence consumer purchase intention (Z).

So, the overall contribution is given by each variable namely Intrusiveness (X1), Irritation (X2), Attitudes Against Advertisements (Y) has a significant impact on consumers' Purchase Intention (Z), even though the impact Intrusiveness (X1) variable is negative. Simultaneously with an orange line the overall structure model can be seen in Figure 3.



**Figure 3. Overall Path Chart of Research Structure**

Based on the model above, Intrusiveness (X1) and Irritation (X2) contribute to Attitude (Y) positively and significantly as well as Intrusiveness (X1) and Irritation (X2) through Attitude (Y) proved to contribute to Buying Interest (Z) by 25.3% positively and significantly. After the simultaneous effect test, the following results are obtained as follows:

1. The Intrusiveness (X1) contributes positively and significantly to Attitude (Y). Based on the findings of this study, Intrusiveness contributed  $0.1612 \times 100\% = 2.59\%$ . It shows that Intrusiveness can influence attitude significantly.
2. Irritation (X2) contributes positively and significantly to Attitude (Y). Based on the findings of this study, Irritation contributed  $0.1952 \times 100\% = 3.06\%$ . It shows that Irritation can significantly influence attitudes.
3. The Intrusiveness (X1) contributes negatively and significantly to Buying Interest (Z). The direct effect of Intrusiveness is  $-0.1762 \times 100\% = -3.09\%$ . It shows that Intrusiveness affects

Purchase Interest negatively and significantly. It means that the higher the LBA intrusiveness, the less consumer interest in buying.

4. Irritation (X2) contributes positively and significantly to Buying Interest (Z). The direct effect of Irritation is  $0.1552 \times 100\% = 2.40\%$ . It shows that Irritation can significantly influence buying interest.
5. Attitude (Y) contributes positively and significantly to Buying Interest (Z). The direct effect of attitude is  $0.4622 \times 100\% = 21.34\%$ , and it is significant to Purchase Intention. It shows that attitudes can significantly influence consumer Purchase Intention.

Based on Figure 3 above, it can be concluded that all exogenous (free) variables have a significant effect on endogenous (bound) variables. However, some have a positive or negative impact.

## CONCLUSION

This research attempts to determine the relationship between intrusiveness and irritation to purchase intentions.

After a series of statistical tests, both the outer and inner model, this research has met both the validity and reliability requirement. Thus, the model of this study is viable to be tested.

Intrusiveness caused by Location-based Advertising has a negative effect on consumer attitudes toward advertising. This hypothesis is rejected. Based on the results of data processing, it was found otherwise that Intrusiveness had a positive and significant effect on consumer attitudes toward advertising. This contrasts with the research conducted by (Pramodhana & Sari, 2017), which states that Intrusiveness has a negative impact on advertising.

Irritation caused by Location-based Advertising has a negative effect on consumer attitudes toward advertising. This hypothesis is rejected. Based on the results of data processing it was found otherwise that Irritation had a positive and significant effect on consumer attitudes towards advertising. This result contrasts with the research conducted by (Kim & Han, 2014; Martins, Costa, Oliveira, Gonçalves, & Branco, 2019), which states that Intrusiveness has a negative impact on advertising. The attitude of consumers towards Location-based Advertising has a positive effect on the intention to buy the advertised product. This hypothesis is accepted. Based on the results of data processing, it was found that consumer attitudes had a positive and significant effect on purchase intention. This is in line with previous research conducted by (Pramodhana & Sari, 2017), but in contrast to research conducted by (Kusumasondjaja, 2016) which states that consumer attitudes towards

advertising have no effect on buying interest. Intrusiveness caused by Location-based Advertising has a negative effect on the intention to buy the advertised product. Hypothesis accepted. Based on the results of data processing, it was found that Intrusiveness had a negative and significant effect on purchase intention.

The irritation caused by Location-based Advertising has a negative effect on the purchase intention of the advertised product. The hypothesis is rejected. Based on the results of data processing, it was found that Irritation had a positive and significant effect on purchase intention.

## REFERENCES

- APJII. (2017). *Penetrasi & Perilaku Pengguna Internet Indonesia*.
- APJII. (2018). *Infografis Penetrasi & Perilaku Pengguna Internet Indonesia*.
- Bart, Y., Stephen, A. T., & Sarvary, M. (2014). Which Products Are Best Suited to Mobile Advertising? A Field Study of Mobile Display Advertising Effects on Consumer Attitudes and Intentions. *Journal of Marketing Research*, 51(June 2014), 270–285.
- Bauer, H. H., Reichardt, T., Barnes, S. J., & Neumann, M. M. (2005). Driving Consumer Acceptance of Mobile Marketing : A Theoretical Framework and Empirical Study. *Journal of Electronic Commerce Research*, 6(3), 181–192.
- Billore, A. (2015). Consumers' Attitude towards Permission Based Mobile Advertising. *Pragyaan: Journal of Management*, 13(7), 7–11.
- Bittner, J. V, & Zondervan, R. (2015). Computers in Human Behavior Motivating and Achievement-Eliciting Pop-Ups in Online Environments : A User Experience Perspective. *Computers in Human Behavior*, 50, 449–455. <https://doi.org/10.1016/j.chb.2015.04.015>
- Brackett, L. K., & Carr, B. N. (2001). Cyberspace Advertising vs Other Media : Consumer vs Mature Student Attitudes. *Journal of Advertising Research*, 41(5).
- Bruner, G. C., & Kumar, A. (2007). Attitude toward Location-based Advertising. *Journal of Interactive Advertising*, 7(2), 3–15.

- <https://doi.org/10.1080/15252019.2007.10722127>  
 Chowdhury, H. K., Parvin, N., Weitenberner, C., & Becker, M. (2006). Consumer Attitude toward Mobile Advertising in An Emerging Market: An Empirical Study. *International Journal of Mobile Marketing*, 1(2), 33–41.
- Dholakia, R. R. (2004). Mobility and Markets : Emerging Outlines of M- commerce Mobility and Markets. *Journal of Business Research*, 57(12), 1391–1396. [https://doi.org/10.1016/S0148-2963\(02\)00427-7](https://doi.org/10.1016/S0148-2963(02)00427-7)
- Ducoffe, R. H. (1996). Advertising value and advertising on the web. *Journal of Advertising Research*, (October), 21–35.
- Gazley, A., Hunt, A., McLaren, L., Gazley, A., Hunt, A., & McLaren, L. (2015). The Effects of Location-Bases Service on Customer Purchase Intention at Point of Purchase. *European Journal of Marketing*, 49(9/10), 1686–1708. <https://doi.org/10.1108/EJM-01-2014-0012>
- Goodrich, K., Schiller, S. Z., & Galletta, D. (2015). Consumer Reactions to Intrusiveness of Online-Video Advertisements: Do Length, Informativeness, and Humor Help (or Hinder) Marketing Outcomes. *Journal of Advertising Research*, 55(1), 37–50. <https://doi.org/10.2501/JAR-55-1-037-050>
- Greyser, S. A., & Bauer, R. A. (1966). Americans and Advertising: Thirty Years of Public Opinion. *Public Opinion Quarterly*, 30(1), 69–78.
- Haghirian, P., & Madlberger, M. (2005). Consumer Attitude Toward Advertising via Mobile Devices- An Empirical Investigation Among Austrian Users. *European Conference on Information System (ECIS)*, 2005. Retrieved from <http://aisel.aisnet.org/ecis2005>
- Kim, Y. J., & Han, J. (2014). Why Smartphone Advertising Attracts Customers : A Model of Web Advertising, Flow, and Personalization. *Computers in Human Behavior*, 33, 256–269. <https://doi.org/10.1016/j.chb.2014.01.015>
- Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15e Global). Edinburg: Pearson Education Limited.
- Kusumasondjaja, S. (2016). Respon Konsumen pada Mobile Advergemes : Intrusiveness dan Irritation. *Jurnal Manajemen Teknologi*, 15(3), 206–223. <https://doi.org/10.12695/jmt.2016.15.3.1>
- Lee, E., Kim, Y. J., Lim, Y. S., & Kim, M. (2015). Trait Reactance Moderates Facebook Users' Irritation With Brand Communication. *Social Behaviour and Personality*, 43(5), 829–844. <https://doi.org/10.2224/sbp.2015.43.5.829>
- Logan, K. (2013). And Now A Word From Our Sponsor : Do Consumers Perceive Advertising On Traditional Television And Online Streaming Video Differently ? *Journal of Marketing Communications*, 19(4), 258–276. <https://doi.org/10.1080/13527266.2011.631568>
- MacKenzie, S. B., & Lutz, R. J. (1989). An Empirical Examination of the Structural Antecedents of Attitude Toward the Ad in an Advertising Pretesting Context. *Journal of Marketing*, 53(2), 48–65. <https://doi.org/10.1177/002224298905300204>
- MacKenzie, S. B., Lutz, R. J., & Belch, G. E. (1986). The Role of Attitude toward Ad as a Mediator of Advertising Effectiveness : A Test of Competing Explanations. *Journal of Marketing Research*, 23(2), 130–143.
- Martí-Parreño, J., Aldás-Manzano, J., Currás-Pérez, R., & Sánchez-García, I. (2013). Factors Contributing Brand Attitude in Advergemes: Entertainment and Irritation. *Journal of Brand Management*, 20(5), 374–388. <https://doi.org/10.1057/bm.2012.22>
- Martins, J., Costa, C., Oliveira, T., Gonçalves, R., & Branco, F. (2019). How Smartphone Advertising In FI Uences Consumers ' Purchase Intention. *Journal of Business Research*, 94, 378–387. <https://doi.org/10.1016/j.jbusres.2017.12.047>
- Pavlou, P. A., & Stewart, D. W. (2000). Measuring The Effects And Effectiveness Of Interactive Advertising : A Research Agenda. *Journal of Interactive Advertising*, 1(1), 62–78.
- Pramodhana, A., & Sari, P. K. (2017). Analysis Of Location Based Advertising Towards Purchase Intention . Case Study : PT . Dunkin' Donuts. *E-Proceeding of Management*, 4(3), 2844–2850.
- Ramaprasad, J. (2001). South Asian Students' Beliefs About and Attitude Toward Advertising. *Journal of Current Issues and Research in Advertising*, 23(1), 55–70. <https://doi.org/10.1080/10641734.2001.10505114>
- Robbins, S. (2008). *Organizational Behavior* 10<sup>th</sup> Ed. Jakarta: Salemba Empat.
- Tsang, M. M., Ho, S., & Liang, T. (2004). Consumer Attitudes Toward Mobile Advertising : An Empirical Study. *International Journal of Electronic Commerce*, 8(3), 65–78.
- Yang, K. C. C. (2007). Exploring Factors Affecting Consumer Intention to Use Mobile Advertising in Taiwan. *Journal of International Consumer Marketing*, 20(1), 33–49. <https://doi.org/10.1300/J046v20n01>

## MULTIGROUP ANALYSIS IN SUPPLY CHAIN PERFORMANCE

Erna Mulyati <sup>1</sup>  
Politeknik Pos, Indonesia

### ABSTRACT

This study aims to examine differences in private and government third-party logistics companies in Indonesia in terms of improving supply chain performance. In this research, supply chain performance testing is influenced by collaboration, radical innovation, and incremental innovation. The sample used is the third-party logistics industry in West Java and DKI Jakarta, totaling 100, which is divided into private third-party logistic companies and government-owned third-party logistics companies. The results showed that there are differences in the effects of collaboration. There is supply chain performance where there are differences in the influence of collaboration and radical innovation on supply chain performance between private companies and government. There is no difference in the influence of collaboration and incremental innovation on supply chain performance between private companies and the government. The findings of this study indicate that radical and incremental innovation acts as a partial mediation on the effect of collaboration on supply chain performance in private and government companies.

**Keywords:** collaboration, radical innovation, incremental innovation, supply chain performance

## MULTIGRUP ANALYSIS KINERJA RANTAI PASOK

### ABSTRAK

*Penelitian ini bertujuan untuk menguji perbedaan pada perusahaan third party logistics di Indonesia milik swasta dan pemerintah dalam hal peningkatan kinerja rantai pasok. Pada penelitian ini pengujian kinerja rantai pasok dipengaruhi oleh kolaborasi, inovasi radikal dan inovasi inkremental. Sampel yang digunakan adalah industri third party logistic di Jawa Barat dan DKI Jakarta berjumlah 100 yang terbagi atas perusahaan third party logistic milik swasta dan third party logistic milik pemerintah. Hasil penelitian menunjukkan bahwa terdapat perbedaan pengaruh kolaborasi terdapat kinerja rantai pasok dimana terdapat perbedaan pengaruh kolaborasi dan inovasi radikal terhadap kinerja rantai pasok antara perusahaan swasta dan pemerintah. Tidak terdapat perbedaan pengaruh kolaborasi dan inovasi inkremental terhadap kinerja rantai pasok antara perusahaan swasta dan pemerintah. Temuan penelitian ini menunjukkan bahwa inovasi radikal dan inkremental berperan sebagai mediasi parsial pada pengaruh kolaborasi terhadap kinerja rantai pasok di perusahaan swasta maupun pemerintah.*

**Kata-kata Kunci:** kolaborasi, inovasi radikal, inovasi inkremental, kinerja rantai pasok

---

<sup>1</sup> **Korespondensi:** Dr. Erna Mulyati, ST., MT. Politeknik Pos Indonesia. Jln. Sariasih No. 54, Bandung 40151, Indonesia. Email: [ernamulyati@poltekpos.ac.id](mailto:ernamulyati@poltekpos.ac.id)



## INTRODUCTION

In a competitive business environment, companies are beginning to realize the critical role of logistics and supply chain management in commercial transaction management that is used to create better value for customers (Alam, Bagchi, Kim, Mitra, & Seabra, 2014). Supply chain management is the key to effective and efficient distribution (Abidi, de Leeuw, & Klumpp, 2014). The supply chain is defined as a network of interdependent organizations and work together to control, regulate and increase the flow of material, money and supplier information to end-users (Alam et al., 2014; Balfaqih, Nopiah, Saibani, & Al-Nory, 2016; Handfield & Nichols, 2002; Mentzer et al., 2001). One service provider that plays an important role in the supply chain to customers is third party logistics (3PL). Third-party logistics is an external company that integrates and manages functions to facilitate the handling of company logistics activities (Cho, Ozment, & Sink, 2008; Jothimani & Sarmah, 2014; Kim, Yang, & Kim, 2008; Tian, Ellinger, & Chen, 2010). Third-party logistics can provide a sustainable competitive advantage in improving supply chain performance because it functions as a coordination mechanism. Besides, companies can reduce costs, increase core competencies and flexibility (Cheng & Tang, 2014).

Supply chain performance is an essential tool for assessing the success rate of third party logistics (Jothimani & Sarmah, 2014). This

performance is a form of a manager's success in managing the supply chain efficiency by providing the necessary support (Balfaqih et al., 2016). According to the World Bank report in 2018 that the Indonesian logistics industry has increased its rank to 46 from 63 in 2016 globally and has declined in ASEAN from 4th to 5th position. Despite the improvement, Indonesia's logistics industry has lower logistics performance than Singapore, Thailand, Malaysia, and Vietnam. This performance impacts the Indonesian economy as a whole. The following Table 1 is the logistics performance index released by World Bank in 2018 for the ASEAN region.

**Tabel 1. Logistic Performance Index**

Country	LPI Rank (Global)	LPI Rank (ASEAN)	LPI Score
Singapore	7	1	4.00
Thailand	32	2	3.41
Vietnam	39	3	3.27
Malaysia	41	4	3.22
<b>Indonesia</b>	<b>46</b>	<b>5</b>	<b>3.15</b>
Philippines	60	6	2.90
Brunei	80	7	2.71
Laos	82	8	2.70
Cambodia	98	9	2.58
Myanmar	137	10	2.30

Source: World Bank, 2018

Table 1 shows that the logistics performance in Indonesia is still inferior compared to neighboring countries, namely Singapore, Thailand, Malaysia, where one of which plays a vital role in improving logistics performance is the role of logistics service providers. Presently, the government's attention is focused on business development and

increasing the competitiveness of logistics service providers; this is because the logistics services sector plays an important role and contributes to the logistics costs in the aggregate in Indonesia. At present, the ratio of logistics costs to Gross Domestic Product (GDP) is still relatively high, which ranges from 24% to 26% compared to other countries, namely the United States, the United Kingdom, and Germany, between 8% to 9%. India 11% and China 17% (ADB, 2012), while from the component prices for retail products (consumer goods), logistics costs in Indonesia absorb 40% of the retail product sales prices. The most significant component of logistics costs, 72%, is transportation costs (Zaroni, 2017). So, it is crucial for companies in the logistics industry to better measure supply chain performance to reduce transportation costs.

Measuring supply chain performance in the logistics industry requires companies to include the right parameters to ensure a balanced framework. Jothimani and Sarmah (2014) stated that in measuring the supply chain performance of a company, it not only considers the effectiveness and efficiency aspects but looks at the internal aspects as well as the relationships with its customers. Measurement of supply chain performance is a quantitative process of effectiveness and efficiency of operations that requires several indicators to measure objectives rather than the company's supply chain (Abidi et al., 2014). This is because logistical performance is a subset of a broader concept than company

performance. Abidi et al. (2014) state that a lot of added value is obtained by measuring supply chain performance, which cannot be disclosed commercially, but many companies have benefited significantly from supply chain performance.

Several previous studies have shown that to achieve a competitive advantage between parties in improving supply chain performance, that is by strengthening their collaboration activities (Cheng & Tang, 2014). The same is stated that collaboration is a critical success factor in supply chain performance in a business environment (Kang, Moon, & Moon, 2015). The advantages of collaboration in the supply chain include saving costs, increasing capacity and flexibility, better decision making, increasing revenue through resource synergies, and innovation in exchanging ideas (Hansen & Nohria, 2004). In addition to collaboration, innovation serves as an addition or reduction of risk in business (Klein-Schmeink & Peisl, 2013; Kwak, Seo, & Mason, 2018). Innovation in supply chains provides new ways for better processes (Lee, Lee, & Schniederjans, 2011). For many types of innovation, this study uses the variables of radical innovation and incremental innovation (Chapman, Soosay, & Kandampully, 2002). Radical innovation is more at a high level of novelty, to make significant changes for the better by involving many challenges and opportunities (Sen & Ghandforoush, 2011). Meanwhile, incremental innovation is an innovation with a low novelty

level and lower risks and costs than radical innovation.

The logistics industry in Indonesia is divided into two, namely the private-owned logistics industry and the government-owned logistics industry (BUMN). Both have advantages and disadvantages for each. For example, government property is superior in networks, but private is strong in speed and information technology. Based on the previous explanation, in this paper, we want to see the supply chain performance in private and government third-party logistic companies. Supply chain performance will be seen based on collaboration, radical innovation, and increment innovation.

## LITERATURE REVIEW

The use of resources, flexibility, and desired outputs have been used successfully as important components to measure supply chain performance. Therefore, a supply chain measurement system must emphasize three separate types of performance measurement, namely: measurement of resources (R), output measurement (O), and flexibility measurement (F). Each type of measurement has important characteristics and each measurement affects the others. Therefore, supply chain performance measurement systems must contain at least one of the three characteristics above. This measurement system allows interaction between the three or can guarantee the achievement of the

desired level of performance in each area (Beamon, 1999).

Donald, David, and Bixby (2002) propose key performance indicators (KPI) to assess supply chain performance collaborating in supply chains, based on functional perspective categories, as follows: 1) Management Costs: i.e., costs incurred as a result of meeting operational activities, which includes: total costs, transportation costs, damage to goods, storage costs, and the cost of order delays. 2) Customer Service: i.e., logistical operational aspects that ensure the company can provide seven rights to customers in the form of the right amount, right product, right time, right place, right quality, the right price, and right information. 3) Quality: namely the accuracy of the company's logistics operational activities, including the accuracy of the order, the accuracy of the packing/shipping, the accuracy of the information, the accuracy of the documents, and the availability of information. 4) Productivity: i.e., the ratio or index between outputs (goods, work completion, services produced) and input = (resources used to produce products or services), which include: warehouse labor productivity, transportation labor productivity, equipment downtime, and productivity index. 5) Asset Management: i.e., utilization of capital investment for facilities and equipment, which is stated as a working capital investment in inventory, which includes: inventory turnover (number of goods sold in a period / average inventory in a period), return on

assets (net profit margin x asset turn over), and inventory that has expired.

Chan and Qi (2003) propose the measurement of key performance indicators (KPI), which they call the Performance of Activity (POA). In principle, the POA is a model used to measure the performance of activities that are part of the process in the supply chain. Activity performance is measured in various dimensions, namely:

- 1) Costs, which are involved in the execution of an activity. In this case, costs can be associated with transportation, warehousing, labor, and administration costs.
- 2) Time, which is needed to do an activity. This measure is essential in the context of supply chain management, especially for supply chains that compete based on response speed.
- 3) Capacity is a measure of how much volume of work a system or part of a supply chain can do in a given period. The amount of installed capacity relative to the average demand provides flexibility in supply chain information.
- 4) Capability refers to the aggregate ability of a supply chain to carry out an activity. Several sub-dimensions make up the supply chain capability.
- 5) Utilization measures the level of resource use in supply chain activities. For example, utility vehicles and warehouses.

The Supply Chain Operation Reference (SCOR) model developed by The Supply Chain Council is a strategic planning tool that enables

senior managers to simplify the complexity of supply chain management (Huan, Sheoran, & Wang, 2004). Performance measurements based on the SCOR model include (1) reliability, (2) responsiveness, (3) flexibility, (4) costs, and (5) assets management.

1. Reliability – improving company performance in providing logistics services to customers to manage company logistics successfully: right product, right quantity, right time, right place, right condition and packing, and right cost. Reliability performance measures such as Delivery Performance, Fill Rates, and Product Order Fulfillment measure the success of logistics and supply chain management.
2. Responsiveness-The speed and responsiveness of the company in managing the order cycle time and the response time of customers in providing their products to the market or customers. Lead Times' Fulfillment Order is one measure of responsiveness performance.
3. Flexibility-The company runs its business processes with high standard procedures, and the level of compliance with strict SOPs, supply chain flexibility in responding to market changes to increase competitive advantage. Performance measures of flexibility commonly used are Supply Chain Response Time and Production Flexibility.
4. Costs-The total costs associated with managing logistics and supply chain. Measuring the performance of supply chain costs as a measure of the success of managing logistics and supply chain customers, among

others: Cost of Goods Sold, Total Supply Chain Management Costs, Value-Added Productivity, and Warranty / Returns Processing Costs.

5. Asset management-managing customer logistics to increase the effectiveness of customer assets. Measures of supply chain asset management efficiency performance include Cash-to-Cash Cycle Time, Inventory Days of Supply, and Asset Turn.

Performance measurement in this study is based on the SCOR model to measure supply chain performance in Third Party Logistics companies with partners. At present, collaboration variables are an important issue, especially if emphasized on improving supply chain performance. Previous research has also explained that factors that are important components to improve supply chain performance, namely collaboration and innovation (Ha, Park, & Cho, 2011; Narayanan, Narasimhan, & Schoenherr, 2015; Tsanos & Zografos, 2016; Wu, Chuang, & Hsu, 2014).

The conceptual model in this research is related to collaboration, radical innovation, and incremental innovation on supply chain performance, both direct and indirect effects on third-party logistics as seen from company ownership, namely private and government.

### ***Collaboration and Supply Chain Performance***

Research results on the effect of collaboration on supply chain performance have been conducted by Tsanos and Zografos (2016); Narayanan et al.

(2015); Wu et al. (2014); Ha et al. (2011), where the results of empirical analysis show a significant positive effect between collaboration on supply chain performance. Statements from several researchers above provide understanding for researchers to propose a hypothesis as follows:

H1: Differences in the effect of collaboration on the supply chain performance of private and government third-party logistic companies.

### ***Collaboration and Innovation***

Swink (2006) asserted that organizations that can collaborate are the key to successful innovation. It shows that collaboration becomes something essential and can be implemented in companies in increasing innovation. Innovation implies that a company must proactively explore new opportunities and not merely exploit current strengths. The intended innovation is radical innovation where the innovation leads to the launch of new products or services and incremental innovations that focus on problems and processes of organizational improvement, namely improving management practices, streamlining organizational structures, adjusting services, improving networks, and improving distribution (Dewar & Dutton, 1986; Howells, 2000). Innovation is expected to produce major changes and can affect supply chain performance.

The results of Soosay, Hyland, and Ferrer (2008) research show that different collaboration relationships and different company capacities

will have an impact on different operations in innovation. The ability to work with partners enables companies to integrate operational activities in increasing effectiveness and innovating, both radically and incrementally. Simatupang and Sridharan (2005) explain that supply chain members in collaborative practice will be able to achieve better operational and innovation activities. Statements from several researchers above provide understanding for researchers to propose a hypothesis as follows:

H2: Differences in the effect of collaboration on the radical innovations of private and third-party government logistics companies

H3: Differences in the effect of collaboration on the incremental innovations of private and third-party government logistics companies

### ***Innovation and Supply Chain Performance***

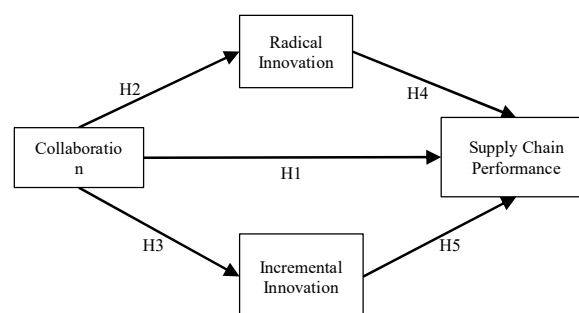
In the context of supply chain management that innovation is crucial to supply chain integration (Rutner, Gibson, & Williams, 2003), for example, building relationships between companies and customers in sending and receiving information and giving satisfaction to customers (Stefansson, 2002). Therefore, openness to new ideas and the adoption of new technologies will lead to improved supply chain performance. Lin, Wang, and Yu (2010) explain that Value Cocreation and Value Constellations as the main drivers of innovation in channel integration have a significant positive relationship with supply chain performance. Panayides and Lun (2009) show that trust and

innovation as antecedents that affect supply chain performance. The intended innovation is a new process, a new method, a new way that can improve logistics performance, but the assessment is carried out by one party. The indicators used are very general and still biased so the model still cannot be generalized. Statements from several researchers above provide understanding for researchers to propose a hypothesis as follows:

H4: Differences in the influence of radical innovation on supply chain performance in private and third-party government logistics companies

H5: Differences in incremental innovation on supply chain performance in private and third-party government logistics companies

Figure 1. shows the research model of this study.



**Figure 1. Research Model**

## **METHODS**

This study uses a positivist research approach, namely quantitative research to measure the constructs that shape the model and analyze the effects of one construct with other constructs

(Creswell, 2014). Hair, Black, Babin, and Rolph (2010) explained that the size of group sample members must be greater than the number of independent variables. In the hypothesis, the model consists of 3 independent variables, namely collaboration, radical innovation, and incremental innovation with a total of 14 items.

In this study, the sample used in the logistics industry is third-party logistics companies totaling 100, with details of private third-party logistics totaling 83 companies and government-owned totaling 17 companies. The proportion of private and government third-party logistic sampling is based on the smallest number of samples in one group, at least greater than the number of independent variables. Because this model is latent, the reason for determining the number of samples is the number of manifest variables, namely the total number of items. This study aims to look at supply chain performance in the private and government third-party logistics industry, which is influenced by collaboration, radical innovation, and incremental innovation. Analysis of this study using PLS-SEM with SmartPLS software (v.3.2.7) (Ringle, Sarstedt, Mitchell, & Gudergan, 2018).

Data was collected through a questionnaire from November 2019 to March 2020. The respondents who filled out were people who truly understood the company's operational activities (strategic level), namely the director or senior operational manager or operational manager. If related to the modeling plan using structural

equation modeling (SEM) and latent variables of five or less (Hair Jr et al., 2010), the minimum required sample is 100. Based on these considerations, the number of sample companies in this study is a minimal 100 companies, so 1 respondent or more will be taken from each company. The total respondents obtained were 100 respondents from 100 companies.

## RESULTS AND DISCUSSION

### *Outer Model Results*

The outer model is an assessment of the validity and reliability of research variables (Hair Jr, Ringle, Sarstedt, & Gudergan, 2017). There are three criteria for assessing the outer model, namely the validity of the validity (loading factor > 0.5), composite reliability (composite reliability and Cronbach's alpha > 0.7), and convergent validity (AVE > 0.5). These values can be shown in Table 2 below.

**Tabel 2. Outer Model Result**

Indicator	Loading Factor		Composite Reliability		Cronbach's alpha		AVE	
	P	G	P	G	P	G	P	G
<b>Collaboration</b>								
Commitment	0.458*	0.432*						
Coordination	0.797	0.809						
Trust	0.798	0.856						
Communication	0.745	0.586						
Conflict	0.723	0.704						
Joint Decision Making	0.774	0.927	0.876	0.900	0.832	0.867	0.507	0.568
Sharing information	0.525	0.658						
Benefit/Risk Sharing	0.548	0.677						
<b>Radical Innovation</b>								
Management	0.864	0.801						
Method	0.934	0.937	0.910	0.900	0.852	0.832	0.772	0.751
Process	0.835	0.857						
Technology								
<b>Incremental Radical</b>								
Management	0.903	0.922						
Method	0.705	0.805	0.846	0.853	0.727	0.749	0.650	0.662
Process	0.798	0.698						
Technology								
<b>Supply Chain Performance</b>								
Reliability	0.410*	0.894						
Responsiveness	0.606	0.863						
Flexibility	0.759	0.717	0.857	0.925	0.780	0.897	0.603	0.712
Costs	0.859	0.876						
Asset Management	0.819	0.856						

P = Private; G = Government

\* = an indicator with a loading factor <0.5, so that it will be evaluated by conducting further analysis without the indicator (commitment to collaboration and reliability on supply chain performance)

### Model Suitability

Model suitability can be measured by two model suitability indices, namely the model determinant coefficient ( $R^2$ ) and the goodness of fit (GoF) coefficient (Hair Jr et al., 2017). The determinant coefficient of the model is calculated by using all the coefficient of determination ( $R^2$ ) in the model.  $R^2$  calculation results can be seen in the following Table 3.

**Tabel 3. R-Square Result ( $R^2$ )**

Dependent Variable	$R^2$	
	Private companies	Government companies
Radical innovation	0,266	0,779
Incremental innovation	0,288	0,598
Supply chain performance	0,707	0,868

At the GoF value to measure how well the model is produced. The amount of GoF has a range of values 0-1. A value closer to 1 means the model is better (Hair Jr et al., 2017).

**Tabel 4. Goodness of Fit (GoF) Index**

Variable	Private companies		Government companies	
	Communality	$R^2$	Communality	$R^2$
Collaboration	0.507		0.568	
Radical innovation	0.772	0.266	0.751	0.779
Incremental innovation	0.650	0.288	0.662	0.598
Supply chain performance	0.603	0.707	0.712	0.868
Total	2.532	1.261	2.693	2.245
Mean	0.633	0.420	0.673	0.748
GoF Index	0.516		0.710	

Communality taken from AVE

The GoF index for this research model is 0.519 in private companies and 0.710 in government. Thus, the structural model that

explains the relationship between the four variables has good predictive power (fit).

### Inner Model Results

The inner model aims to determine the path coefficient and t-statistics that indicate the level of significance of changes in the independent variable on the dependent variable (Hair Jr et al., 2017). Hypothesis models are calculated to determine the significance of the path coefficients in the model or the significance of the hypothesis support. Path coefficient, significant if  $p < 0.05$ , the results of the inner model are explained in Table 5 below.

**Tabel 5. Path Coefficient in the Inner Model**

Variable relationship	Path coefficient	T Statistics	P
<b>Private companies</b>			
Collaboration -> Radical Innovation	0.516	8.263	0.000
Collaboration -> Incremental Innovation	0.537	8.574	0.000
Collaboration -> Supply Chain Performance	0.166	2.413	0.016
Radical Innovation -> Supply Chain Performance	0.559	6.864	0.000
Incremental Innovation -> Supply Chain Performance	0.263	3.109	0.002
<b>Government companies</b>			
Collaboration -> Radical Innovation	0.883	13.900	0.000
Collaboration -> Incremental Innovation	0.778	13.595	0.000
Collaboration -> Supply Chain Performance	0.693	2.685	0.007
Radical Innovation -> Supply Chain Performance	0.112	0.410	0.682**
Incremental Innovation -> Supply Chain Performance	0.173	0.795	0.427**
<b>Difference coefficient</b>			
Collaboration -> Radical Innovation	0.367	2.616	0.010
Collaboration -> Incremental Innovation	0.241	1.721	0.088
Collaboration -> Supply Chain Performance	0.527	2.804	0.006
Radical Innovation -> Supply Chain Performance	0.447	2.086	0.040
Incremental Innovation -> Supply Chain Performance	0.090	0.432	0.667

\*\* insignificant

The results of research on the private sector showed that the direct path coefficient was tested significantly. Nevertheless, the research results



of government companies are not all significant in the path coefficients tested. Proof of differences in modeling results in the two groups was analyzed using multigroup analysis (MGA) by testing the difference in the coefficient of direct and indirect effects. The effect of collaboration on supply chain performance is stronger in government companies (by a difference of 0.527; 0.367; 0.241). The influence of radical innovation and incremental innovation on supply chain performance is stronger in private companies (with a difference of 0.447; 0.090).

In Table 6, collaboration on supply chain performance has an indirect effect through radical innovation and incremental innovation.

**Tabel 6. Result of Indirect Effect**

	Coefficient of indirect effect	T Statistics	P	Total Effect	VAF	Decision
<b>Private companies</b>						
Collaboration -> Supply Chain Performance	0.429	7.699	0.000	0.595	72.1%	Partial Mediation
<b>Government companies</b>						
Collaboration -> Supply Chain Performance	0.233	0.986	0.325	0.926	25.2%	Partial Mediation
<b>Difference coefficient</b>						
Collaboration -> Supply Chain Performance	0.196	1.228	0.222			

Insignificant =  $p > 0.05$

The indirect effect on supply chain performance is the magnitude of influence obtained from the product of all paths traversed. The indirect effect of collaboration on supply chain performance through radical innovation and incremental innovation is 0.143 ( $p = 0.003$ ) in private companies and 0.233 ( $p = 0.325$ ) in government companies. The difference in the indirect effect of 0.196 was higher in private

companies but tested insignificant. This result can be interpreted that the effect of increasing the high supply chain is a positive effect of the high radical innovation and incremental innovation caused by the application of good collaboration with other companies. This research contributes to Third-Party Logistics companies with their partners in operational management, especially proving in the views of managers in logistics service companies that the importance of collaboration, radical innovation, incremental innovation in improving supply chain performance. The effect of collaboration is stronger on supply chain performance in government-owned companies where the company together with partners is supported by commitment and performance that always exceeds customer desires, sharing information related to sharing sales data, customer data, shipping data and willing to share benefits and risks, which has rules under the principle of reward and risk-sharing and has a policy of market development, customer acquisition and improvement of service quality to create mutual benefits. However, unlike private companies where the influence of radical innovation and incremental innovation is stronger on supply chain performance. The creation of revolutionary innovations with integrated technology plays an important role in radical innovation. Companies can create new ideas, new processes, new methods, or new services in the context of the supply chain supported by revolutionary technology both in the field of automation and

ICT technology. For academics, this research contributed to the development of management science, especially logistics management and supply chains as part of operational management.

Based on the test results, there are direct and indirect influences. On the differences in collaboration on supply chain performance between private and government companies, the results of the study prove the difference in the two types of companies. So, it can be concluded that there are differences between private and government companies in the company's ability to collaborate, which directly improves supply chain performance. Empirically the results of this study also show that collaboration can improve supply chain performance and support research results of Tsanos and Zografos (2016); Narayanan et al. (2015); Wu et al. (2014); Ha et al. (2011).

On the difference of collaboration on radical innovation between private and government companies, the results of the study prove the difference in the two types of companies. So, it can be concluded that there are differences between private and government companies in the company's ability to collaborate, which directly increases radical innovation. Empirically the results of this study also show that collaboration can increase radical innovation in logistics companies and support the results of research of Soosay et al. (2008); Simatupang and Sridharan (2005).

On the differences in collaboration on incremental innovation between private and

government companies, the results of the study do not prove the difference between the two types of companies. So, it can be concluded that there is no difference between private companies and the government on the company's ability to collaborate, which directly increases incremental innovation. However, these results indicate that collaboration increases incremental innovation in logistics companies and supports Simatupang and Sridharan (2005); Soosay et al. (2008).

Differences in radical innovation on the supply chain performance between private companies and government, the results of the study prove the difference in the two types of companies. So it can be concluded that there are differences between private and government companies in the company's ability to perform radical innovations that directly improve supply chain performance and support the research results of Lin et al. (2010); Panayides and Lun (2009).

Differences in incremental innovation on supply chain performance between private and government companies, the results of the study do not prove the difference in the two types of companies. So, it can be concluded that there is no difference between private companies and the government on the company's ability to carry out incremental innovations that directly improve supply chain performance. However, these results indicate that incremental innovation can improve supply chain performance in logistics companies owned by the private sector and

support the results of the research of Panayides and Lun (2009); Lin et al. (2010).

Research findings on the indirect effect of both private and government companies, radical innovation, and incremental innovation act as partial mediations on the effect of collaboration on supply chain performance. Acting as a partial or partial mediation means that the variables of radical innovation and incremental innovation contribute part of their role to the relationship between collaboration variables and supply chain performance. Thus, these findings indicate that innovation is still needed by logistics companies when collaborating between companies to improve supply chain performance in companies to be better, even though basically collaboration itself can improve supply chain performance. In private companies, the role of innovation is far greater than that of government companies. This is because private companies are demanded to be more innovative in establishing good relations between logistics companies.

## CONCLUSION

The findings in this study indicate that there are differences in third-party logistic companies owned by the private and government sectors. First, in the differences in collaboration on supply chain performance, government companies are far stronger than private companies. Second, the differences in the effect of collaboration on radical innovation, government companies are much stronger than private companies. Third, in the difference in the influence of radical

innovation on supply chain performance is much stronger for private companies. These results indicate that in private third-party logistics companies still need to work hard in strengthening collaboration to improve supply chain performance and radical innovation, as well as government-owned third-party logistics companies to do more radical innovations or incremental innovations to improve supply chain performance. Increasing radical and incremental collaboration and innovation in private and government companies is a way to improve Indonesia's logistics performance index in the global industry and especially ASEAN.

This study has some limitations. This research does not consider aspects of the period time of collaboration so that it affects the commitment of resources that must be shared to achieve the maturity of collaboration. Besides, some companies only collaborate (by project), so they cannot build a good collaboration between companies and partners. This study also did not identify the initial segmentation of the type of distribution for international or domestic coverage, the strategy of companies that have based assets or non-based assets. Thus, it will significantly affect the differences in capabilities and competitiveness of third-party logistics companies.

## REFERENCES

- Abidi, H., de Leeuw, S., & Klumpp, M. (2014). Humanitarian Supply Chain Performance Management: a Systematic Literature Review.

- Supply Chain Management: An International Journal*.
- Alam, A., Bagchi, P. K., Kim, B., Mitra, S., & Seabra, F. (2014). The mediating effect of logistics integration on supply chain performance. *The International Journal of Logistics Management*.
- Balfaqih, H., Nopiah, Z. M., Saibani, N., & Al-Nory, M. T. (2016). Review of supply chain performance measurement systems: 1998–2015. *Computers in Industry*, 82, 135-150.
- Beamon, B. M. (1999). Measuring Supply Chain Performance. *International Journal of Operations & Production Management*.
- Chan, F. T., & Qi, H. (2003). Feasibility of performance measurement system for supply chain: a process-based approach and measures. *Integrated manufacturing systems*.
- Chapman, R. L., Soosay, C., & Kandampully, J. (2002). Innovation in logistic services and the new business model: a conceptual framework. *Managing Service Quality: An International Journal*.
- Cheng, J.-H., & Tang, C.-H. (2014). Interorganizational cooperation and supply chain performance in the context of third party logistics services.
- Cho, J. J.-K., Ozment, J., & Sink, H. (2008). Logistics capability, logistics outsourcing and firm performance in an e-commerce market. *International journal of physical distribution & logistics management*, 38(5), 336-359.
- Creswell, J. W. (2014). *A concise introduction to mixed methods research*: SAGE publications.
- Dewar, R. D., & Dutton, J. E. (1986). The adoption of radical and incremental innovations: An empirical analysis. *Management science*, 32(11), 1422-1433.
- Donald, J. B., David, C., & Bixby, C. (2002). *Supply chain logistics management*. Michigan State: McGraw Hill.
- Ha, B. C., Park, Y. K., & Cho, S. (2011). Suppliers' affective trust and trust in competency in buyers. *International Journal of Operations & Production Management*.
- Hair Jr, J. F., Black, W. C., Babin, B. J., & Anderson Rolph, E. (2010). *Multivariate data analysis*: Pearson Education.
- Hair Jr, J. F., Ringle, C., Sarstedt, M., & Gudergan, S. P. (2017). Advanced issues in partial least square structural equation modeling. *SAGE*.
- Handfield, R. B., & Nichols, E. L. (2002). *Supply chain redesign: Transforming supply chains into integrated value systems*: Ft Press.
- Hansen, M. T., & Nohria, N. (2004). How to build collaborative advantage. *MIT Sloan Management Review*, 46(1), 22.
- Howells, J. (2000). The nature of innovation in services, report presented to the OECD 'Innovation and Productivity in Services Workshop', 31 October-3 November 2000. *Sydney, Australia*.
- Huan, S. H., Sheoran, S. K., & Wang, G. (2004). A review and analysis of supply chain operations reference (SCOR) model. *Supply Chain Management: An International Journal*.
- Jothimani, D., & Sarmah, S. (2014). Supply chain performance measurement for third party logistics. *Benchmarking: An International Journal*.
- Kang, S., Moon, T., & Moon, T. (2015). Impact of organizational competence on supply chain performance through supply chain collaboration. *Indian Journal of Science and Technology*, 8(12), 1-10.
- Kim, C., Yang, K. H., & Kim, J. (2008). A strategy for third-party logistics systems: A case analysis using the blue ocean strategy. *Omega*, 36(4), 522-534.
- Klein-Schmeink, S., & Peisl, T. (2013). Supply chain innovation and risk assessment (SCIRA) model *Supply Chain Safety Management* (pp. 309-326): Springer.
- Kwak, D.-W., Seo, Y.-J., & Mason, R. (2018). Investigating the relationship between supply chain innovation, risk management capabilities and competitive advantage in global supply chains. *International Journal of Operations & Production Management*.
- Lee, S. M., Lee, D., & Schniederjans, M. J. (2011). Supply chain innovation and organizational performance in the healthcare industry. *International Journal of Operations & Production Management*.
- Lin, Y., Wang, Y., & Yu, C. (2010). Investigating the drivers of the innovation in channel integration and supply chain performance: A strategy orientated perspective. *International Journal of production economics*, 127(2), 320-332.
- Mentzer, J. T., DeWitt, W., Keebler, J. S., Min, S., Nix, N. W., Smith, C. D., & Zacharia, Z. G. (2001). Defining supply chain management. *Journal of Business logistics*, 22(2), 1-25.
- Narayanan, S., Narasimhan, R., & Schoenherr, T. (2015). Assessing the contingent effects of collaboration on agility performance in buyer–supplier relationships. *Journal of Operations Management*, 33, 140-154.
- Panayides, P. M., & Lun, Y. V. (2009). The impact of trust on innovativeness and supply chain

- performance. *International Journal of production economics*, 122(1), 35-46.
- Ringle, C. M., Sarstedt, M., Mitchell, R., & Gudergan, S. P. (2018). Partial least squares structural equation modeling in HRM research. *The International Journal of Human Resource Management*, 1-27.
- Rutner, S. M., Gibson, B. J., & Williams, S. R. (2003). The impacts of the integrated logistics systems on electronic commerce and enterprise resource planning systems. *Transportation Research Part E: Logistics and Transportation Review*, 39(2), 83-93.
- Sen, T. K., & Ghandforoush, P. (2011). Radical and incremental innovation preferences in information technology: an empirical study in an emerging economy. *Journal of technology management & innovation*, 6(4), 33-44.
- Simatupang, T. M., & Sridharan, R. (2005). An integrative framework for supply chain collaboration. *The International Journal of Logistics Management*.
- Soosay, C. A., Hyland, P. W., & Ferrer, M. (2008). Supply chain collaboration: capabilities for continuous innovation. *Supply Chain Management: An International Journal*.
- Stefansson, G. (2002). Business-to-business data sharing: A source for integration of supply chains. *International Journal of production economics*, 75(1-2), 135-146.
- Swink, M. (2006). Building collaborative innovation capability. *Research-technology management*, 49(2), 37-47.
- Tian, Y., Ellinger, A. E., & Chen, H. (2010). Third-party logistics provider customer orientation and customer firm logistics improvement in China. *International journal of physical distribution & logistics management*.
- Tsanos, C. S., & Zografos, K. G. (2016). The effects of behavioural supply chain relationship antecedents on integration and performance. *Supply Chain Management: An International Journal*.
- Wu, L., Chuang, C.-H., & Hsu, C.-H. (2014). Information sharing and collaborative behaviors in enabling supply chain performance: A social exchange perspective. *International Journal of production economics*, 148, 122-132.
- Zaroni, CISCIP., CFMP. (2017). Daya saing perusahaan penyedia jasa logistik Nasional. *Artikel Supply Chain Indonesia*.

## MARKET ATTRACTION AND CAPABILITY FACTORS IN IMPROVING MARKETING PERFORMANCE THROUGH STRATEGIC DEVELOPMENT

Rahayu Kusumadewi<sup>1</sup>

Universitas Islam Negeri Sunan Gunung Djati Bandung, Indonesia

### ABSTRACT

Private universities have high competition and demand to show their quality and reliable competitiveness. This research aims to analyze the attraction factor of private universities and their capabilities in supporting the development of marketing strategy and performance. This research applied a quantitative model with descriptive and verification analysis, and the used analytical tool is the SEM analysis model. The sampling technique is cluster proportional random sampling covering respondents from the stakeholders of the private university in West Java. The research findings prove that the attraction and capability factors have a significant influence on strategy, and the strategy has an effect on marketing performance, and the development of strategic planning as a strategic guideline in achieving the organization's vision and mission, which in turn can realize superior marketing performance. Moreover, this study reveals that the capacity factor has an essential influence on private universities, in particular, when paying attention to the dynamic aspects of technology and information development. Technology and information have a very significant role in realizing the superior quality of universities and can build their perceptions in the community. Another important finding is that the capacity factor has a stronger effect than the attraction factor. That is, the capability factors consisting of resources, management systems, financial strength, infrastructure support, and information technology ownership have a very strong influence in determining marketing performance.

**Keywords:** market attraction, capability, marketing performance, strategy

## FAKTOR DAYA TARIK PASAR DAN KAPABILITAS DALAM MENINGKATKAN KINERJA PEMASARAN MELALUI PENGEMBANGAN STRATEGI

### ABSTRAK

Persaingan dan tuntutan perguruan tinggi swasta untuk menjadi perguruan tinggi yang berkualitas dan berdaya saing yang handal sangat tinggi. Penelitian ini bertujuan untuk menganalisis faktor daya tarik perguruan tinggi swasta dan kapabilitas yang dimiliki dalam mendukung pengembangan strategi dan kinerja pemasaran. Penelitian ini menggunakan model kuantitatif dengan analisis deskriptif dan verifikatif menggunakan model SEM. Teknik pengambilan sampel dilakukan secara cluster proporsional random sampling dengan target responden para pemangku kebijakan di masing-masing perguruan tinggi swasta di Jawa Barat. Hasil penelitian membuktikan bahwa faktor daya tarik dan kapabilitas berpengaruh signifikan terhadap strategi, dan strategi berpengaruh terhadap kinerja Pemasaran. Pengembangan perencanaan strategis menjadi pedoman langkah strategik dalam mencapai visi dan misi organisasi, yang pada akhirnya dapat mewujudkan kinerja pemasaran yang superior. Hasil penelitian menunjukkan bahwa peran pengembangan perencanaan strategis kedudukannya sangat penting bagi perguruan tinggi, terutama dengan memperhatikan aspek dinamika perkembangan teknologi dan informasi. Teknologi dan informasi berperan sangat penting dalam mewujudkan kualitas perguruan tinggi yang superior dan dapat membangun persepsi perguruan tinggi lebih baik di masyarakat. Penelitian ini juga mengungkapkan bahwa faktor kapabilitas memiliki pengaruh lebih kuat dibandingkan dengan faktor daya tarik. Artinya, faktor kapabilitas yang terdiri dari sumber daya, sistem pengelolaan, kekuatan finansial, dukungan infrastruktur dan kepemilikan teknologi informasi pengaruhnya sangat kuat dalam menentukan tinggi atau rendahnya kinerja pemasaran.

**Kata-kata Kunci:** daya tarik pasar, kapabilitas, kinerja pemasaran, strategi

---

<sup>1</sup> **Korespondensi:** Rahayu Kusumadewi, Faculty of Social and political Sciences, Universitas Islam Negeri (UIN) Sunan Gunung Djati Bandung, Jl. AH Nasution No. 105, Bandung. Email: rahayukusumadewi@uinsgd.ac.id

## INTRODUCTION

The role of higher education, according to Law Number 12 of 2012, covers the development of innovative and creative academics who are competitive. Preparing graduates who have competitiveness in the industrial revolution 4.0 era is a big challenge because this requires adequate technological and information facilities to support their performance. The impact of the industrial revolution 4.0 influences not only business sectors but also the education sector, especially higher education. Therefore, this is an opportunity and a challenge for universities to have excellent competitiveness at both regional and international levels. Private universities (PTS) have a very difficult position today, it, on the one hand, must be able to create excellent graduates, and on the other hand, it must compete with state (public) universities (PTN) to attract people to study there, so that PTS is not a choice but is expected to be able to be the priority choice. The arising problem is that many PTS(s) in Indonesia are going to be closed by the Ministry of Research, Technology, and Higher Education due to their low performance. This problem also applies to West Java Province, showing that 243 PTS were closed in 2014. After gaining coaching, there were 129 PTS remained to have a performance problem, and from 129 PTS, 25 universities were officially closed in 2017 (Difta, 2017).

Today's challenge of higher education is digitization and networking, which greatly

influence the process of education, research, and community service. Besides, the graduates of higher education must have sufficient capabilities in the field of technology and information. Thai, Thi, & Anh (2017) propose that in the era of the industrial revolution, higher education institutions must update their education and training structures and systems, not only focus on hard skills but also soft skills that are in line with international standards. The greater higher education focuses on preparing graduates by developments, the better the level of competitiveness will become. Furthermore, Aryati (2019) states that the challenges of higher education are getting bigger because higher education must have the ability to master information technology that causes the demands for competence in the work field.

Some ways for higher education institutions to make changes are to be more responsive in mastering information technology, improving curriculum, quality of lecturers, and learning facilities. Consequently, higher education institutions have to fulfill all these aspects to improve their performance in the 4.0 revolution era. Achieving superior performance requires effective and flexible strategic planning with changes and developments in the existing environment (Neil, 2011). This means that strategy is an alternative solution to solving problems and finding new opportunities. The role of strategy is critical to achieving the fixed goals and objectives of the organization.

Organizations or companies will find difficulties in achieving organizational goals without implementing the planned strategy (Thomas L. Wheleen and J. David Hunger, 2010). Some research findings have proven the critical role of the strategy to the organization. Each of the following studies (Agwu, 2018; Liao & Huang, 2016; Okeke, Onuorah, & Jakpa, 2016) proved that the strategy has a positive effect on performance, so that strategy has a crucial position to improve performance. The research conducted by Hajar (2015) showed that the strategy directly affects not only performance but also innovation.

The success of strategic planning in higher education is strongly determined by the level of strategy suitability to environmental change. The external environment of higher education institutions is a strategic environment where competencies continue to occur and cannot be stopped (Mirfani, Sutarsih, & Rosalin, 2017), while their internal environment is a component from which the ability of organization originates to deal with changes in the organizational environment (Nofrizal, 2018). External environment analysis is intended to identify opportunities and threats factors and to face changes in the increasingly dynamic external environment, while the internal environment analysis aims to analyze and map the capabilities and weaknesses by their resources (Gunawan, Alhabsji & Rahardjo, 2014). The less capability of higher education institutions to

make analysis and quick adjustment to changes in the external and internal environment can reduce performance. Many factors of the external environment influence strategy planning, one of which is market attraction. In marketing management, market attraction depends on the company's ability to produce consumers who are willing to buy their products (Almgren, 2014).

Like buying a product, prospective students choose universities with market attraction factors that provide added value and have reliable capabilities. The attraction that is accompanied by capability will be a driving factor in the development of conduct strategies to improve marketing performance that has higher quality because, in the industrial revolution 4.0 era, the quantity factor of higher education is no longer the primary benchmark in achieving success, but lies in the quality of graduates who have competitive skills.

This study will examine the factors of attraction and capability in supporting strategy development and its impact on marketing performance. Based on the previous research results, there was no testing model of market attraction and capability to the strategy development and its impact on marketing performance. Two previous studies (Ismiyati, 2011; Nalim, 2012) dealt with attraction factor in state universities, while this present research is carried out in private universities that have independent management. The subsequent



research was carried out (Solihat, 2011) by one who did the capability factor study in influencing competitive advantage, whereas the following study will examine the effect of strategy development. Subsequent research conducted earlier (Chandler & Hanks, 1994; Sipayung, Sucherly, Affif, & Soemaryani, 2016) examined the attraction and capability factor models for business strategies. Those studies focus on strategy development and its impact on higher education performance. Based on normative, theoretical, and empirical foundations, this present study will conduct a study of attraction and capability factors on strategy development and their impact on marketing performance.

## LITERATURE REVIEW

### *Market Attraction*

When applied to higher education institutions, the attraction concept becomes a very essential and decisive factor in deciding whether to choose a higher education institution or not (Iriani, 2010; Ismiyati, 2011). The attraction factor is a determinant factor on which a prospective student determines his choice (Nalim, 2012). According to National Accreditation Board for Higher Education (BAN-PT) the attraction aspects of evaluation in determining the assessment of the quality of higher education cover curriculum, teacher qualifications, student anatomy, education process and teaching, infrastructure, academic

administration, personnel, financial administration, and internal organizations that support educational activities. In other words, it can be said that market attraction is a resource in determining choices.

### *Capability*

According to Amir (2011), a capability is an ability to utilize the resources within an organization and explore all the potential to carry out a series of activities. Capability is a combination of tangible and intangible aspects that are used to convert inputs into outputs (Budiastuti, 2011). The best defense in a highly competitive environment is by having the capability to face time and technology. A capability that is considered to be a skill in improving performance capacity is a capability that is oriented towards the use of technology and information (Sidiq, 2017).

### *Strategy Development*

Strategy planning is defined as an effort to make decisions with the full discipline to guide the steps that need to be carried out in the future time (Bass & Avolio, 2011). Strategy planning needs to be developed in its implementation to make it easier to answer challenges and minimize obstacles in the future (Syahrul, 2017). Strategy planning is seen to be very meaningful for the organization to be a reference in describing the goals of the organization in the short term as well as a guide in carrying out

activities according to the agreement to achieve the specified goals (Rusniati & Ahsanul Haq, 2014).

### ***Marketing Performance***

Performance is defined to be an achievement resulted from the process or behavior of higher education institutions, which is expected to be able to produce a good output (Kurniawan, Purwito & Nurani, 2016). To achieve good performance, it is necessary to do strategic planning by identifying external and internal environmental factors (Nurhapna, Haksama, & Kadri). The resulted performance is a manifestation of the extent to which strategic planning is implemented (Sunarmie, 2011). That is, good performance results from good strategy planning together with increasing sources of intensity so that they can achieve maximum results. Marketing performance in this research is a concept to measure the extent of the market performance of a product or given service.

### ***Hypothesis Development***

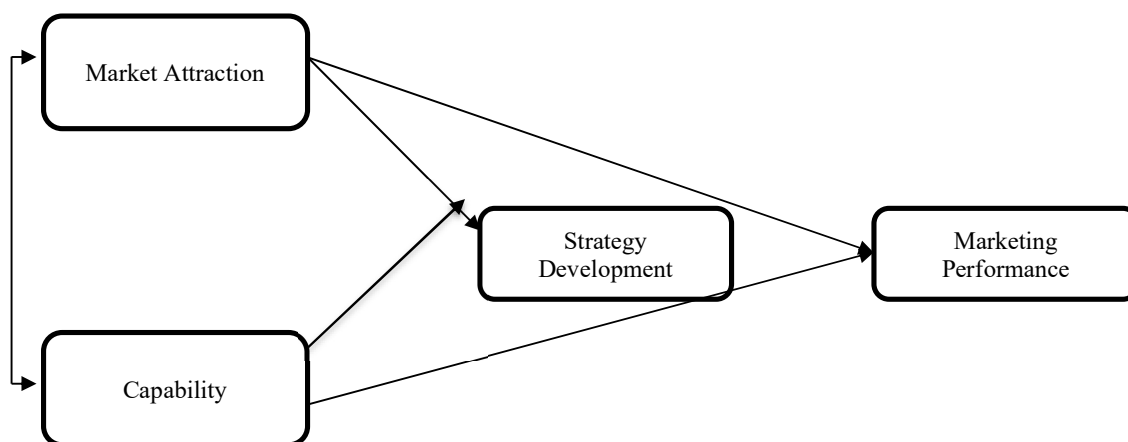
The attraction factors of higher education cover academic quality, academic standardization, location of higher education, graduate competence, tuition fees, the progress of accreditation, and the presence of outsider students (Ismiyati, 2011), while the research results of Faizah (2016) show that the factors of external attraction include prospect and opportunity factors, as well as study program

factors. The research results of Ruhayat (2013) prove that aspects of facilities, curriculum, and accreditation become the highest rank of attraction factor. Moreover, Sukaris (2018) states that the characteristics of each segmentation must have an attraction because in the future time the sustainability of higher education institutions depends on how much higher education institutions can build differences and excellence. The results of research Gleißner (2013) empirically prove that market attraction is an essential factor in strategy control. In addition to the attraction, the capability factor needs to be considered in determining strategic direction. In this regard, Rogério dos Santos Alves (2014) states that capability is the core of the strategy that needs to be integrated with technology for developing a company's competitiveness. Dynamic capability is the key to implementing effective strategies for realizing a world-class university (Suyono, 2018).

As a result, building a reliable strategy to improve competitive performance needs to be done by considering the attractiveness and capability factors. The research results of Sipayung (2016) prove that attraction and capability factors contribute to building strategy. While the study of Muhammad (2016) shows that the attraction and capability factors have a positive effect on performance, although the effect is not too significant. Here is the conceptual diagram of this research. Figure 1 on

the research paradigm stated that the hypotheses of this study are market attraction and capability have a simultaneous and partial effect on

strategy development. Another hypothesis is that strategy development affects marketing performance.



**Figure 1. Research Paradigm**

## METHODS

This research elaborates on marketing management, especially the development of strategies in improving marketing performance to meet competition. The input factors in this study cover attraction and capability factors, while the intervening factor is the development of strategy, and the output variable is marketing performance. This research is quantitative with descriptive and verification analysis. The data source of this study includes primary data which is relating to the research questionnaire, while secondary data covers documentation data. This research was conducted at PTS in the region IV of West Java and Banten due to the high growth rate of higher education institutions in West Java and Banten Provinces. However, the collapse of

several PTS attracted the researcher's interest to conduct further research.

The number of samples, which consists of 211 PTS around the province of West Java is analyzed by Slovin's formula. The sampling technique is done by cluster proportional random sampling. Furthermore, the data was collected through questionnaires and interviews.

The questionnaire question model was conducted with closed questions using a Likert scale, and the respondents covered university leaders or faculty deans representing the strategic planning team. In contrast, the interview method was conducted with open questions conducted to university leaders or those representing the strategic planning team. Before data analysis, the questionnaire data is first tested for its validity and reliability so that

the instruments have accuracy and reliability. The technique of data analysis is Structural Equation Modeling (SEM) analysis. The basis for taking SEM is that this research enables the researcher to apply SEM analysis.

## RESULTS AND DISCUSSION

SEM analysis is aimed to analyze the measurement model and structural model to determine the effect of market attraction, capability on the implementation of PTS strategies, and their impact on college performance.

The initial stage of SEM analysis is testing the suitability of the model (Goodness-of-fit). The testings of validity and reliability in SEM analysis in this study were applied to construct reliability and variance extracted. Ghazali (2013) revealed that the indicator of the variable is regarded valid if the "Estimate" value is  $> 0.05$ , and regarding reliability, the indicator of the variable is regarded as reliable if the CR value is  $\geq 0.07$ . The results of the validity and reliability testing can be seen in table 1.

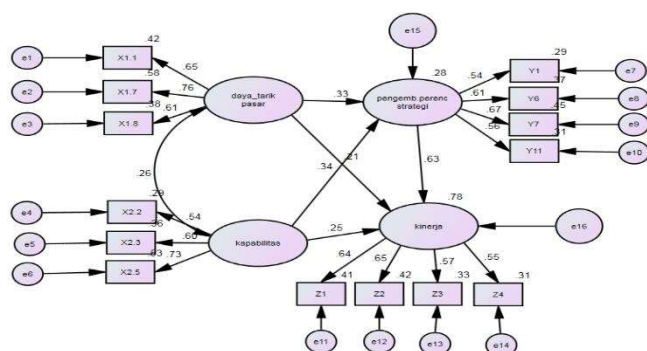
**Table 1. Validity and Reliability**

No	Indicator	Standardized Estimate	Construct Reliability	Variance Extracted
1	Study program ( $X_{1.1}$ )	0.649	0.709	0.762
2	Accreditation ( $X_{1.7}$ )	0.762		
3	Image ( $X_{1.8}$ )	0.612		
4	Human resources ( $X_{2.2}$ )	0.536	0.701	0.512
5	Financial ( $X_{2.3}$ )	0.603		
6	Technology ownership ( $X_{2.5}$ )	0.729		
7	Target setting ( $Y_1$ )	0.540	0.711	0.642
8	Institutional development ( $Y_6$ )	0.611		
9	Independent capability development ( $Y_7$ )	0.672		
10	Strengthening organizational integrity ( $Y_{11}$ )	0.559	0.746	0.773
11	Graduates ( $Z_1$ )	0.637		
12	Research ( $Z_2$ )	0.647		
13	Curriculum ( $Z_3$ )	0.574		
14	Academic ( $Z_4$ )	0.554		

Source: Analysis result

The calculation results show that 14 indicators are regarded as valid and reliable. The results of validity testing state that the 14 indicators have a Standardized Estimate value  $> 0.05$ , so it is assumed that all indicators have good enough validity. Moreover, the results of reliability testing of the market attraction variable have a construct reliability value of 0.709, capability of 0.701, and strategic planning development of 0.711 and university performance of 0.746.

Because the construct reliability value of the five variables is greater than the cut-off value of 0.7, the indicators have good internal consistency. Moreover, regarding the variance extracted value, the market capability variable has a value of 0.761, a capability value of 0.512, a strategic planning development value of 0.642, and a performance value of 0.773. So, the extracted variance value will be smaller than the construct reliability value. Because the five variables get the extracted variable value  $> 0.50$ , the extracted variance from the indicators is greater for the formation of latent variables.



**Figure 2. SEM Analysis Result**

Source: Analysis result

Figure 2 shows the results of the structural model analysis as a whole. It can be seen that not all indicators play a significant role in each variable. From 31 indicators studied, only 14 indicators are considered very dominant to shape each variable, while the other indicators get system drop because these indicators do not play a role in maximizing the research model performance after the process of SEM analysis. Based on the research results, the indicators that

play a dominant role in forming the attraction of higher education institutions in West Java Province cover study program, accreditation, and image of higher education institutions. Moreover, the indicators that play a dominant role in shaping capabilities include human resources, financial resources, and technology ownership. Regarding the variable of strategic planning development, the indicators of target setting, institutional development, and independent capability development are components that play a very dominant role in developing strategic planning. And for the marketing performance variable of higher education, graduate's quality, research, curriculum, and academics are seen to be dominant variables.

**Table 2. Feasibility Testing of Research Model**

The goodness of fit index	Cut of Value	Result	Decision
$\chi^2$ – Chi-square	$< 91.670$	76.391	Good
Significance probability	$\geq 0.05$	0.310	Good
RMSEA	$\leq 0.08$	0.019	Good
GFI	$\geq 0.90$	0.952	Good
AGFI	$\geq 0.90$	0.929	Good
CMIN/DF	$\leq 02.0$	1.076	Good
TLI	$\geq 0.95$	0.989	Good
CFI	$\geq 0.95$	0.991	Good

Source: Analysis result

Table 2 reveals that the feasibility testing of the SEM model applied Chi-square, CFI, TLI, CMIN / DF, RMSEA, GFI, and AGFI in the range of expected values. The testing results indicate that the model is acceptable. The significance level of 0.310 shows a very good

structural equation model. The measurement indexes of TLI, CFI, CMIN / DF, GFI, AGFI, and RMSEA are covered in the expected value

range. In consequence, the feasibility testing of the SEM model meets the acceptance requirements.

**Table 3. Research Hypothesis Testing**

			Estimation	SE.	CR.	P	Result
Strategic planning development	<--	Market attraction	.253	.087	2.897	.004	accepted
Strategic planning development	<--	Capability	.317	.104	3.061	.002	accepted
Marketing performance	<--	Strategic planning development	.657	.150	4.375	***	accepted
Marketing performance	<--	Capability	.246	.103	2.388	.017	accepted
Marketing performance	<--	Market attraction	.168	.079	2.134	.033	accepted

Source: Analysis result

Table 3 shows that the path between attraction and strategic planning development has CR (Critical Ratio) value of  $2,897 > 1,960$ . Thereby market attraction has a positive and significant influence on the development of strategic planning, the path between capability variable and strategic planning development has CR value of  $3,061 > 1,960$ . Thus, the capability has a positive and significant effect on strategic planning development. The path between strategic planning development and performance has a CR value of  $4,375 > 1,960$ . Thus, strategic planning development has a positive and significant effect on performance. The path between capability and performance variables has a CR value of  $2,388 > 1,960$ . Thus, the capability has a positive and significant effect on performance. The path between market attraction and performance has a CR value of  $2.134 > 1,960$ . Therefore, the market attraction has a positive and significant effect on

performance. The data below explains the magnitude of the direct, indirect, and total effects of SEM analysis results on the research model.

**Table 4. Direct, Indirect and Total Effects**

		Direct Effect	Indirect	Total Effect
Attraction	Strategic planning development	0.333	-	0.333
Attraction	Marketing performance	0.212	0.210	0.422
Capability	strategic planning development	0.336	-	0.336
Capability	Marketing performance	0.250	0.212	0.462
Strategic planning development	Marketing performance	0.631	-	0.631

Source: Analysis result

Table 4 reveals that the effect of market attraction is more influential on strategic planning development compared to capability. The total effect of attraction on strategic

planning development is 0.333, while the total effect of capability on strategic planning development is 0.336. However, the variable capability is more influential on performance when compared to market attraction. The value of capability effect on performance is 0.462 directly and indirectly. The results of this study indicate that market attraction and capability factors each have advantages and disadvantages to influence endogenous variables (strategic planning development and performance). Nevertheless, the two variables have shown results that market attraction and capability have an effect on strategic planning development and positive and significant effects on performance. This result supports some previous studies, such as the findings of the research (Adam, Syahputra, & Gunawan, 2016), stating that attraction affects strategy formulation and performance implications as well. The attraction factor has a very high impact, so every company must consider industrial attraction to achieve high performance.

This study shows that strategic planning development is strongly affected by the market attraction of 0.336. The market attraction factor in this study is related to the study program, accreditation, and image of high education institutions, while capability is related to technology ownership. The indicator of technology in terms of information technology development covers internet facilities, academic and administrative systems that have used a

digitizing system supported by adequate software and hardware by universities, and is crucial in developing future strategic planning.

The results of this study support the research conducted by (Varnali, 2011), proposing that technology and information in the form of internet facilities are seen to be an important component and have a significant effect on the company's strategy in attracting customer interest. In this study, the capability influences strategy and direct effect on performance by 0.223. This result indicates that capability has a direct effect on performance without strategic planning.

The capability in this study reflects all aspects of capability resources, as dominant indicators such as human resources, finance, and technology ownership. Moreover, this study supports the results of previous studies, empirically confirming that capabilities directly influence performance (Mait, 2014); (Zhou, Zhou, Feng, & Jiang, 2017). Capability in this study is more dominated by the role of higher education institutions in developing communication and information technology to become superior resources in organizations. Finally, this study gives support to the research findings of Namusonge, Mukulu, Iravo, Lecturer, & Kenyatta (2016), stating that communication and information technology have become an essential factor in the company because they have proven to have a direct effect on performance.

The research findings indicate that strategic planning development has a significant effect on performance improvement with a value of 0.631. This shows that the strategy is a guideline that is considered sufficient for each organization because the high or low marketing performance can be determined by an integrated strategic planning system by utilizing all the strengths and opportunities by paying attention to weaknesses and threats. Therefore, the strategic planning that has been formulated in its implementation needs to be developed by the existing level of development.

Developing strategic planning is believed to be essential for organizations, as it can improve that strategic planning that is more flexible in dealing with a dynamic environment when compared with stagnant strategic planning. Furthermore, the development and adaptation strategies to current environmental conditions are more effective and efficient because, according to the indicator of independent capacity development, they have a value of 0.67. The indicator is believed to be the highest indicator in shaping the variable of strategic planning development. Besides, this study supports the findings of previous studies, which show that strategy empirically has a positive and significant effect on performance (Anwar, Shah, & Hasnu, 2016); (Ray, 2004); (Njenga & Gachunga, 2016).

## CONCLUSION

The market attraction is formed by the following indicators: study program, academic standards, location, job opportunity, activity, cost, accreditation, and image. Based on Confirmatory Factor Analysis, it was stated that the dominant indicators to shape market attraction covered study programs, accreditation, and the image of higher education institutions. Meanwhile, the capability is formed by the indicators of implementation, human resources, finance, infrastructure, and information technology.

Confirmatory Factor Analysis reveals that the dominant indicators in shaping capabilities include human resources, finance, and technology ownership. Strategic planning development is formed by the indicators of target setting, capacity development, culture development based on performance, expansion of the ability to apply the principle of equal rights, institutional development, independent capacity development, administrative and academic principles development, of quality assurance systems development, climate development, and entrepreneurial ability, strengthening organizational integrity and learning capability development. Furthermore, Confirmatory Factor Analysis states that the dominant indicators to form strategic planning development cover goal setting, institutional development, independent capacity building, and strengthening organizational integrity.



Marketing performance is shaped by the indicators of graduates, research, community service, curriculum, internal, and academic quality assurance.

Meanwhile, the dominant indicators in shaping marketing performance consist of graduate's quality, research, curriculum, and academics. Market attraction and capabilities simultaneously and partially have positive and significant effects on strategic planning development. Besides, market attraction and capabilities simultaneously and partially have positive and significant effects on marketing performance, and the development of strategies has a positive and significant effect on marketing performance too.

Marketing performance in the industrial revolution 4.0 era, which is based on the research findings, indicates that the excellent university with superior graduates and science and technology mastery is the institution that can follow the development of the industrial revolution 4.0. The second finding is that university with good marketing performance in the era of industrial revolution 4.0 can respond to the challenges and dynamics of the environment, primarily related to the impact of the industrial revolution 4.0.

The next finding shows that higher education institution that can demonstrate its marketing performance is the university that can balance curriculum and academics, namely the one that implements Curriculum-Based

Indonesian National Qualification Framework (KKNI) elaborated with the demands of technological development so that the final result can provide graduates with higher quality output, independence, and competitiveness of their scientific disciplines and specific expertise by the demands of the times. Therefore, private universities in region IV West Java and Banten which have a big student body are expected to consider marketing performance in the industrial revolution 4.0 era which is based on 4 factors: quality of graduates, research, curriculum, and academics. The four factors are the key to attract the interest of prospective students in determining their choices.

This research empirically proves that the attraction and capability factors have partial and simultaneous influence both on strategy development. This indicates that the organization can perform strategy development by taking into account internal and external aspects. One of the internal aspects is capability, especially in terms of technological and financial capability and human resources. Meanwhile, external aspects are related to attraction factors, which are shown in the accreditation assessment in the sight of the public and the existing image of universities. Paying serious attention to these two aspects is very important to formulate and plan the development of more effective and efficient strategies. The development of empirical strategic planning can improve marketing

performance; this shows that the marketing performance of universities in the form of service outputs, namely the quality of graduates, research, curriculum, and academic systems, is seen to be the core business of the university, which requires effective and efficient strategy planning in its achievement.

Theoretically, the research model developed by researchers is expected to reinforce the theory that attraction as an external factor and capability as an internal factor has a significant effect on the development of strategic planning. Through the development of strategic planning that serves as a guideline in achieving the vision and mission of the organization, it is hoped that an organization can realize superior marketing performance.

Managerial implications of this study indicate that developing strategic planning has a crucial position in higher education institutions, especially by paying attention to the dynamics of technology and information development. Technology and information have significant roles in higher education institutions because by mastering technology and information, the institutions can survive in the tight competition.

## LIMITATION AND SUGGESTION

This research is limited to private universities in West Java Province with limited respondents from university leaders, faculty deans, or strategic planning teams involved in the private higher education institutions. Also, the

limitation of this study is regarding research units that are only focused on private universities, beyond the specialized and academic colleges. The next restriction lies in the non-random sampling applied so that not all elements in higher education have the same opportunity to be sampled in this study. The final limitation is the capability variable, which is still too general.

Based on the research conclusions, it is expected that further research will include broader fields of study at universities and specialized and academic colleges. The further suggestion in the next study is regarding respondents that can cover not only university leaders, faculty deans, or strategic planning teams but also lecturers. Regarding capability variables that are still general, it is better than in future studies the capability variables are more focused on innovation capabilities that are comprehensively studied, considering the capability of universities to innovate technology and information application in the academic climate will change the development order strategy done by each university or college.

## REFERENCES

- Adam, M., Syahputra, H., & Gunawan, B. (2016). *Industry Attractiveness and Knowledge Management on the Formulation of Competitive Strategy and Partnership and Its Implication on Coffee Company Performance in Aceh*. (Iscllo), 204–210. <https://doi.org/10.2991/iscllo-15.2016.38>
- Agwu, M. E. (2018). Analysis of the impact of strategic management on the business performance of SMEs in Nigeria. *Academy of*

- Strategic Management Journal*, 17(1), 1–20.
- Almgren, K. (2014). The Four Factors for Targeting an Attractive Market. *International Journal of Humanities and Social Science*, 4(91), 71–76. Retrieved from [http://www.ijhssnet.com/journals/Vol\\_4\\_No\\_9\\_1\\_July\\_2014/9.pdf](http://www.ijhssnet.com/journals/Vol_4_No_9_1_July_2014/9.pdf)
- Anwar, J., Shah, S., & Hasnu, S. (2016). Business Strategy and Organizational Performance : Measures and Relationships. *Pakistan Economic and Social Review*, 54(1), 97–122.
- Aryati, S. (2019). Tantangan Perguruan Tinggi Di Era Revolusi Industri 4.0. *Prosiding Nasional*, 811–818.
- Bass, B. & Avolio, B. (2011). *Full range leadership development: Manual for multifactor leadership questionnaire*. Redwood City, California: Mind Garden.
- Budiastuti, D. (2011). KOMPETITIF DAN DAMPAKNYA TERHADAP KINERJA PERUSAHAAN PADA PT ADI CIPTA , MAKASSAR. *Binus Bussines Review*, 2(1), 286–292.
- Chandler, G. N., & Hanks, S. H. (1994). Market Attractiveness, Resource-Based Capabilities, Venture Strategies, And Venture Performance. *Journal of Business Venturing*, 9(4), 331–349. [https://doi.org/https://doi.org/10.1016/0883-9026\(94\)90011-6](https://doi.org/https://doi.org/10.1016/0883-9026(94)90011-6)
- Difta, S. (2017). 102 Perguruan Tinggi Swasta Terancam Ditutup. *Pikiran Rakyat*.
- Faizah, A. (2016). Faktor-Faktor Yang Mempengaruhi Minat Mahasiswa Memilih Effecting Factor of Student Interest To Study in Music Art Education. *Jurnal Pendidikan Dan Seni Musik*, 8, 1–7.
- Gleißner, W., Helm, R., & Kreiter, S. (2013). Measurement Of Competitive Advantages And Market Attractiveness For Strategic Controlling. *Journal of Management Control*, 24(1), 53–75. <https://doi.org/10.1007/s00187-013-0167-1>
- Gunawan, D. S., Alhabsji, T., & Rahardjo, K. (2014). *Analisis Lingkungan Eksternal dan Internal Dalam Menyusun Strategi Perusahaan ( Studi Perencanaan Strategi Komoditi Kelapa Sawit*. 22–33.
- Hajar, I. (2015). The Effect of Business Strategy on Innovation and Firm Performance in the Small Industrial Sector. *The International Journal of Engineering and Science*, 4(2), 1–9. Retrieved from [www.theijes.com](http://www.theijes.com)
- Iriani, Y. (2010). Analisis Faktor-Faktor Yang Mempengaruhi Minat Studi Mahasiswa Dalam Menempuh Pendidikan di Universitas Widyatama. *Proceeding Seminar Nasional IV Manajemen Dan Rekayasa Kualitas*, 532–541.
- Ismiyati. (2011). Faktor Daya Tarik dan Kinerja Pelayanan Menurut Persepsi Mahasiswa : Studi FE UNNES. *Jurnal Pendidikan Ekonomi Dinamika Pendidikan*, VI(2), 170–187.
- Kurniawan, Y., Purwito, A., & Nurani, T. W. (2016). Pencapaian Indikator Kinerja Bidang Akademik Program Sarjana Pada Fakultas Perikanan Dan Ilmu Kelautan Institut Pertanian Bogor Dalam Perspektif Penjaminan Mutu. *Jurnal Aplikasi Bisnis Dan Manajemen (JABM)*, 2(3), 258.
- Liao, K.-H., & Huang, I.-S. (2016). Impact of Vision, Strategy, and Human Resource on Nonprofit Organization Service Performance. *Procedia - Social and Behavioral Sciences*, 224(August 2015), 20–27. <https://doi.org/10.1016/j.sbspro.2016.05.395>
- Mait, R. (2014). *The impact of capabilities on performance*. 114(2), 241–257.
- Mirfani, A. M., Sutarsih, C., & Rosalin, E. (2017). Strategi dan Hasil Kompetisi Perguruan Tinggi. *Jurnal Administrasi Pendidikan*, 14(1), 182–197.
- Muhammad, Ade Sulchi, Dwi Kartini, W. O. Z. M. and E. F. (2016). *the Influence of Industry Competitive Forces and Distinctive Capabilities on Competitiveness and the Implication on the Performance of*. IV(10), 262–278.
- Nalim. (2012). Analisis Faktor yang Memengaruhi Mahasiswa dalam Memilih Program Studi Pendidikan Bahasa Arab STAIN Pekalongan. *Forum Tarbiyah*, 10(2), 215–235.
- Namusonge, E., Mukulu, E., Iravo, M., Lecturer, S., & Kenyatta, J. (2016). Influence of Information Communication Technology (ICT) Capabilities on Firm Performance of Manufacturing Entities in Kenya. *International Journal of Management and Commerce Innovations*, 4(2), 847–855. Retrieved from [www.researchpublish.com](http://www.researchpublish.com)
- Neil, R. (2011). Strategic management. In *Workplace Strategies and Facilities Management*. <https://doi.org/10.4324/9780080521299>
- Njenga, M. W., & Gachunga, H. (2016). Effects of Change Management Strategy on Performance in Public Universities in Kenya , The Case of The Technical University of Kenya Effects of Change Management Strategy on Performance in Public Universities in Kenya. *Journal of Business and Change Management*, 3(2), 596–625.
- Nofrizal, N. (2018). Analisis Swot Untuk Menentukan Posisi Strategis Pada Universitas Lancang Kuning Pekanbaru. *Economica*, 7(1), 40–53. <https://doi.org/10.22202/economica.2018.v7.i1.2637>

- Okeke, M. N., Onuorah, A. N., & Jakpa, U. G. (2016). Impact of Strategic Management on the Performance of Small and. *Global Journal of Applied, Management and Social Sciences*, 11(2), 57–66.
- Ray, S. (2004). *Environment-Strategy-Performance Linkages: A Study of Indian Firms during Economic Liberalization*. 29(2), 9–23.
- Rogério dos Santos Alves; Alex Soares de Souza, et all. (2014). The Management of Technology and Innovation. In *South-Western Cengage Learning*. <https://doi.org/10.1007/s13398-014-0173-7.2>
- Ruhayat, E. (2013). Analisis faktor yang menjadi penentu mahasiswa dalam memilih perguruan tinggi. *Jurnal Ilmiah Ilmu Manajemen*, 78–96.
- Rusniati & Ahsanul Haq. (2014). Perencanaan Strategis dalam Perspektif Organisasi. *Jurnal INTEKNA*, (2), 77–78.
- Sidiq, A. (2017). Analisis Kapabilitas Teknologi Informasi terhadap Kinerja Bisnis UKM dengan Orientasi Pelanggan sebagai Variabel Intervening (Studi pada UKM Sektor Manufaktur di Wilayah Solo Raya). *Media Ekonomi Dan Manajemen*, 32(1), 9–27.
- Sipayung, R. I. M., Sucherly, Affif, A., & Soemaryani, I. (2016). The Influence Of Business Partnership And Competitive Strategy On Business Performance Of Recreation Park Services Industry In West Java , Indonesia. *South East Asia Journal of Contemporary Business, Economics and Law*, 11(02), 109–115.
- Solihat, A. (2011). *Pengaruh Sumber Daya dan Kapabilitas terhadap Keunggulan Posisi :Survei pada Program Studi Manajemen di Perguruan Tinggi Kota/Kabupaten Bandung*. Universitas Pendidikan Indonesia.
- Sukaris. (2018). Kajian Empiris dalam Pemosisian Produk( Studi pada Perguruan Tinggi ). *JRE: Jurnal Riset Entrepreneurship*, 1(2), 1–12.
- Sunarmie. (2011). *Analisis Pengaruh Kompetensi Manajerial, Dinamika Lingkungan, dan Dukungan Organisasi terhadap Kualitas Perencanaan Strategik Perguruan Tinggi Swasta di Koordinasi Perguruan Tinggi Swasta Wilayah XI*. 1–18.
- Suyono. (2018). Dynamic Capability Sebagai Strategi Menuju World Class University. *Seminar Dan Call for Paper Sustainable Competitive Advantage (SCA) 8 Purwokerto, 19 September 2018*, (September), 1–13.
- Syahrul. (2017). Perencanaan Strategis dan Praktik .... *Shautut Tarbiyah*, 36, 1–18.
- Thai, H. Van, Thi, L., & Anh, K. (2017). the 4.0 Industrial Revolution Affecting Higher Education Organizations' Operation in Vietnam. *International Journal of Management Technology*, 4(2), 1–12.
- Thomas L. Wheleen and J. David Hunger. (2010). *Strategic Management and Business Policy Achieving Sustainability International Edition* (Internatio; E. Svendsen, Ed.). New: Prentice-Hall.
- Varnali, K. (2011). The Impact of the Internet on Marketing Strategy. *International Journal of E-Business Research*, 6(4), 38–51. <https://doi.org/10.4018/jebr.2010100104>
- Zhou, S. S., Zhou, A. J., Feng, J., & Jiang, S. (2017). Dynamic capabilities and organizational performance: The mediating role of innovation. *Journal of Management and Organization*, 1–17. <https://doi.org/10.1017/jmo.2017.20>

## EFFECT OF TOURIST CHARACTERISTICS AND RESOURCES ON IMAGE: STUDY OF CILETUH GEODIVERSITY AREA SUKABUMI

Ernie Tisnawati Sule<sup>1</sup>

Universitas Padjadjaran, Indonesia

### ABSTRACT

Ciletuh Geopark, located in Sukabumi regency, is one of the promising tourist destinations in West Java. This research aims to explore the effect of tourist characteristics and resources on the image of Ciletuh Geopark. This research is quantitative, employing a time horizon of cross-sectional. The analysis unit of this research is visitors at the geodiversity area of Ciletuh, while the observation unit is the visitors or tourists visiting this area at the end of 2019. The sample of this study is 100 visitors. The partial least square (PLS) is used for analyzing the causal relationship between variables. The research results show that tourist characteristics and resources affect the image. Resources have a more substantial effect than the tourist characteristics do. This study implies that the management of Ciletuh Geopark needs to pay more attention to developing and managing the resources, primarily the natural resources, cultural resources, and human resources. Besides, this effort needs to be supported by the understanding of tourist characteristics. Hence, the image of the destination will be enhanced.

**Keywords:** tourist characteristics, resources, image, geopark.

## PENGARUH KARAKTERISTIK WISATAWAN DAN SUMBER DAYA TERHADAP IMAGE: PENELITIAN PADA AREA GEODIVERSITAS CILETUH SUKABUMI

### ABSTRAK

*Geopark Ciletuh merupakan salah satu destinasi wisata potensial di Kabupaten Sukabumi, Jawa Barat. Penelitian ini bertujuan untuk menguji pengaruh tourist characteristic and resources terhadap image Geopark Ciletuh. Penelitian ini merupakan penelitian kuantitatif. Penelitian dilakukan pada time horizon yang bersifat cross sectional, karena dilakukan pada waktu tertentu. Unit analisis dari penelitian ini adalah pengunjung pada Kawasan Geodiversity Ciletuh. Sedangkan unit pengamatannya adalah pengunjung Geopark tersebut pada akhir tahun 2019 dengan sampel sebanyak 100 pengunjung. Analisis kausalitas digunakan untuk mengetahui hubungan sebab akibat di antara variabel. Analisis ini menggunakan PLS. Hasil penelitian ini menunjukkan bahwa tourist characteristic and resources berpengaruh pada image. Resources memiliki pengaruh yang lebih besar dibandingkan tourist characteristic dalam meningkatkan image. Hasil penelitian ini memberikan implikasi bagi manajemen pengelola wisata Geopark Ciletuh dalam rangka meningkatkan image destinasi tersebut, dengan mengupayakan pengembangan dan pengelolaan resources terutama aspek natural resources, cultural resources, dan human resources yang dimiliki. Upaya tersebut, juga perlu ditunjang dengan pemahaman mengenai aspek-aspek tourist characteristic yang akan mampu meningkatkan image destinasi tersebut.*

**Kata-kata kunci:** karakteristik wisatawan, sumber daya, image, geopark.

---

<sup>1</sup> **Korespondensi:** Prof. Dr. Ernie Tisnawati Sule, S.E., M.S. Fakultas Ekonomi dan Bisnis, Universitas Padjadjaran. Jln. Dipati Ukur No. 35 Kota Bandung. Email: [ernie.tisnawati.fe@unpad.ac.id](mailto:ernie.tisnawati.fe@unpad.ac.id)

## INTRODUCTION

Ciletuh Geopark is one of the potential tourist destinations in West Java province. It is located in Sukabumi Regency, and it is also called the hidden paradise of Sukabumi. In 2015, UNESCO recognized the splendiddness of this area. Ciletuh Geopark has several fabulous tourist spots, namely Pantai Ujung Genteng, Bukit Teletubbies, Pantai Cimaja, Curug Puncak Manik, Pantai Palangpang, Puncak Darma, Puncak Tugu, Bukit Panenjoan, Bukit Gebang, and Air Terjun Cimarunjung.

Ciletuh Geopark offers the management concept for a tourist destination by harmonizing the diversity of geology, nature, culture through conservation, education, and sustainable development. Ciletuh Geopark, with an area of 128 thousand hectares, includes eight subdistricts in Sukabumi regency. Ciletuh Geopark is famous for its biodiversity, culture, as well as natural landscape.

According to UNESCO, geopark is an area that has outstanding geological elements - including archeological, ecological, and cultural values - in which local people are invited to participate in protecting and enhancing the function of natural heritage. The elements of geopark consist of three, namely, geodiversity, biodiversity, and cultural diversity. In early 2020, Ciletuh Palabuhanratu UNESCO Global Geopark (CPUGGp) was started to be developed to attract more visitors, and the three elements of geopark had been fulfilled. The formulations to a world-

class tourist destination should consist of attraction, access, and tourism resource (Adiakurnia, 2018).

According to Ciletuh Geopark Information Center (GIC), the number of visitors to Ciletuh Geopark in January-November 2017 reached 967,311 visitors, consisting of 802,868 local tourists and 164,443 foreign visitors. When it first opened in 2012, the number of visitors to Ciletuh was 343,910 visitors. In 2017, among eight subdistricts in Ciletuh-Palabuhanratu Geopark, the Palabuhanratu subdistrict had the most visitors of 416,323 visitors, followed by Ciracap, Surade, and Cisolok with visitors of 281,670, 168,100, and 56,260 visitors, respectively (Soedarsono, 2018).

The foreign visitors of Ciletuh Geopark were mostly from France (26.3%) and Australia (21.1%), followed by tourists from Germany, the United States of America, Singapore, and South Africa. Most of the tourists came to Ciletuh Geopark for vacation, surfing, and beaching. Around 63.2% of surfers acknowledged that the waves in Cieluh, primarily in, Palabuhanratu Bay are appropriate for water sport such as surfing. Most of the visitors stayed in Ciletuh for around four to seven days, with most of them preferred homestay (52.6%) instead of staying in hotels. The local visitors mostly came from the West Java area, primarily from the Sukabumi area, and they are mostly students and college students. They also had the same reason as foreign tourists, namely, vacation (77.2%), and the rest came for

study purposes. Most of the local visitors obtained information about Ciletuh-Palabuhanratu Geopark from social media (47.88%), and the rest obtained it from friends and family members. In contrast, most foreign visitors obtained information from a website or blog (47.4%) and social media (15.8%) (Soedarsono, 2018).

The image plays an essential role in increasing the visit to a tourist destination. Hence, every tourist destination should increase its image so the number of visitors can increase. Besides, people's income, job opportunities, and government income can increase, as well. Therefore, image is considered crucial by visitors before deciding to visit a destination (Cai, Wu, & Bai, 2004). Image of a tourist destination is defined as the representation of the individual mentality resulted from knowledge, feeling, and the whole perception of a particular purpose (Fakeye & Crompton, 1991).

An image of a destination is an essential factor in tourists' perceptions and assessments (Huete-Alcocer, et al. 2019). However, the creation of the destination image is affected by numerous factors that are often overlooked by many researchers (Kim, et al. 2017). Madden, Rashid, & Zainol (2016), as cited by Beerli & Martin (2004), state that the image of any destination comprises the observations about *"natural and cultural resources, general, tourist and leisure infrastructures, atmosphere, social setting and environment, sun & sand, knowledge, relaxation, entertainment, and prestige."* From

these statements, it is clear that resources are the antecedent of any tourist destination image.

As a tourist destination, Ciletuh Geopark has tremendous natural and cultural resources. Several cultural attractions are also available, such as Helaran Budaya Pajampangan, Rampak Lodong, Paragliding attractions, Rock Climbing attractions, Beach Railing attractions, and planting of Kepuh trees. Besides, it is also essential to develop a tourist destination by supporting its human resources.

However, there have been complaints submitted by tourists regarding the high price of food and the existence of illegal levies by unscrupulous residents. Also, there are complaints about waste management in tourist areas, where there is still much garbage scattered when many tourists are coming. The mindset of residents still needs to be improved to become major players in the development of these tourist areas. Currently, people are still afraid to be just spectators. There are still many people who have not thought about taking part in tourism activities in that place. Some of them have participated by making various handicrafts typical of Sukabumi or Geopark Ciletuh as souvenirs for tourists. Besides that, this tourist area also still needs improvement in terms of infrastructure.

Based on the research results of Putri, Deliarnoor & Nurasa (2020) regarding the Implementation of West Java Provincial Government Policies Regarding Geopark Area

Development, several problems are identified, namely:

1. Geopark management with a conservation function has not been achieved because the government and the community are only limited to waste management and tree planting efforts.
2. In terms of human resources, their quantity is sufficient as there is Ciletuh Geopark Development Coordination Team. However, in quality, especially from the community, many do not care and lack understanding of the surrounding community, especially in nature conservation efforts.
3. Regarding financial resources, although it can be said that there is a budget that has been allocated for Ciletuh Development, this budget is still insufficient and requires assistance from the center.
4. Regarding infrastructure resources, in the development of the Ciletuh Geopark, construction has been carried out such as the main access road to the Ciletuh Geopark Area such as the Trans Loji Road from the Ciletuh Geopark to the core point of Ciemas Subdistrict, the Construction of the Cibenda Geosite Area Track, Construction of Roads from the Gate to the View Deck Area Feosite Cibenda Welcome Gate Development, Road Markings Construction, Street Lighting Development, lodging facilities as well as

toilet facilities and health facilities. However, the availability of infrastructure is still inadequate. For example, the number of lights and road markings is still minimal, and road access to several tourist objects is still difficult and has not been repaired.

5. In terms of time resources, referring to the 2017-2025 Ciletuh Geopark Development Master Plan, the target time for Ciletuh development is eight years. However, in the Ciletuh Geopark Development Policy to the Ciletuh Geopark being globally competitive tourism, no time limit has been set.
6. In terms of communication between organizations and implementing activities, it is evident that coordination is still not optimal among implementing agencies for the Ciletuh Development Policy.

Thus, it is essential to study the effect of resources on the image of Ciletuh Geopark as a dependable tourist destination in West Java province, Indonesia.

Data from the Geopark Information Center (GIC) in 2019 shows that the number of visitors to Ciletuh Geopark continues to increase every year. In 2014, there were 343,910 visits by tourists and increased to 1,041,053 tourists in 2018. The research results of Triana, Nuraini & Rusfien (2019) revealed that Ciletuh Geopark visitors were dominated by women. The majority of



visitors are aged 17-39 years. Most of the visitors work in the entrepreneurial field.

Beerli & Martín (2004) studied the formation of the image of tourist destinations through empirical research utilizing a representative sample consisting of visitors to Lanzarote Island (Canary Islands, Spain). They found that the internal characteristics or the personal factors of visitors affect the components of the tourist destination's image. Besides, Aksoy & Kiyici (2011) studied the fundamental variables affecting the formation of the image. They found that demographic information such as income and education influence the image of a tourist destination. Tourist characteristics play a role in affecting visit intention among the visitors. Based on this, it is interesting to study the influence of tourist characteristics on the Ciletuh Geopark image.

Based on the explanations above, this study aims to examine the effect of tourist characteristics and resources on the image of Ciletuh Geopark.

## LITERATURE REVIEW

Tourists are those who involve in tourism activities (Newsome, Moore & Dowling, 2012, p. 9). Several studies have researched tourism. Hosany, Ekinici & Uysal (2007) studied the sociodemographic characteristics of tourists, consisting of gender, age, annual personal income, number of previous visits, the purpose of visit, and travel companion. Meanwhile, Beerli &

Martín (2004) studied the formation process of the tourist destination image. They studied the tourists visiting Lanzarote Island in Spain and found that the internal characteristics or personal factors of the tourists affect several components of the destination image.

Gaffar, Wetprasit & Setiyorini (2011, p.55) stated that the characteristics of tourists are often used as a reference for analyzing market segmentation and marketing efforts to implement the strategy. The characteristics of tourist influence the decision to make a visit to a destination. These characteristics include demographic characteristics, time and duration of visit, expenditure, the purpose of visit, type of transportation used, and type of accommodation used. Some characteristics of tourists that can be analyzed are gender, age, educational level, occupation, and income. Gaffar et al. (2011) analyzed the tourist characteristic based on gender, age, educational level, occupation, and income. Luo, Feng & Cai (2004) investigated demographic characteristics of tourist including age, gender, household income, education, dan occupation. While Ma, Chow, Cheung, Lee, & Liu (2018) investigated sociodemographic and visitation characteristics include gender, age, occupation, education, and monthly income in China's tourism context. Thus, in this present study, the tourist characteristics are measured by demographics and attributes.

The destination is a physical space that includes tourism products, such as support

services and attractions, and tourism resources. Every destination has physical and administrative boundaries that define its management, images, and perceptions that in turn, define its market competitiveness. Destinations also integrate many stakeholders, as well as a host community (World Tourism Organization, 2003).

A destination comprises six components that called the six A(s), including attractions (natural, man-made, artificial, purpose built, heritage, special events); accessibility (transportation comprised of routes, terminals and vehicles); amenities (accommodation, catering facilities, retailing, other tourist services); available packages (pre-arranged packages by intermediaries and principals); activities (what consumers do during their visit at the destination); and ancillary services (services used by tourists such as banks, telecommunication, post, newsagents, and hospitals) (Buhalis, 2000). Some of these components are included in tourism resources.

The significance of the resources of a tourist destination has been studied by Vengesai, Mavondo & Reisinger (2013), investigating the determinants of tourism destination competitiveness in a developing country. They examined the influence of destination resources, support services, and human resources on the competitiveness of Zimbabwe as a tourism destination. The findings revealed that the destination support services and human resources related factors were found to be the primary

determinants of destination competitiveness. Destination resources were the secondary determinants.

The hospitality of people, culture, and natural resources are essential for any country in developing the tourism sector (World Economic Forum, 2013). The countries which can offer tourists access to nature will have a competitive advantage. Besides, the quality of human resources will ensure that that industry has access to the required partners, so the tourism sector will grow and develop (World Economic Forum, 2013). Besides, cultural resource is another critical driver of competitiveness for any country. The image of a tourist destination is affected by numerous factors, often missed in single research (Kim, et al. 2017).

Destination resources are destination strategic assets that determine the level of activity a destination can achieve. The availability of resources within a destination is essential for its performance; destination resources enhance its competitiveness by attracting entrepreneurs who invest in facilities and thus enable the destination to attract tourists (Melian-Gonzalez & Garcia-Falcon, 2003).

Hadinoto (1996) in Yusuf, Rostitawati & Obie (2019, p. 5), revealed five types of components support or determine the development of a tourist attraction, namely (a) tourist attractions. The identified attractions, such as natural resources, human resources, culture, etcetera, need to be developed to become tourist

attractions; (b) Promotion and marketing; (c) Tourist market; (d) Transportation, and (e) Tourist recipient communities. It shows the importance of resources of a tourism destination. They found some cultural and natural resources problems as a tourism destination in Gorontalo specific destinations, namely, poor hygiene, minimal infrastructure, and inadequate educational conditions of residents around tourism destinations, thus affecting the service quality. Besides, the information on tourism destination objects to the public still lacks and ineffective. Road access and human resources managing tourist objects are inadequate.

Itamar, Alam & Rahmatullah (2014) found problems that often hinder tourism development: road access and facilities. Not all tourist attractions are located on the side of the highway. Besides, axle roads, damaged roads, and potholes are factors inhibiting tourism development; inadequate human resource management; 3) weak regulations and legal basis; 4) Management of overlaps between the government, foundations or families, and the private sector.

Based on those works of literature, this present study utilizes three dimensions of resource variable, namely, natural resources, human resources, and cultural resources.

For any tourist destination, it is possible to define an image as the pieces of evidence, for instance, shape, slogan, picture, writing, and any pretty amenities, which make an impression in target people's minds. Thus, image is a portrayal

that appeals to visitors to a region and causes them to use money there (Şahbaz, 2008, p. 2, in Aksoy & Kiyici, 2011, p.479). Madden, Rashid, Zainol (2016), citing Beerli & Martin (2004), stated that any tourist destination image includes natural and cultural resources, infrastructures, atmosphere, social setting and environment, sun & sand, knowledge, relaxation, entertainment, and prestige. Madden, Rashid & Zainol (2016) also explained that a favored tourist destination results from the mix between many attributes, such as landscape, shopping centers, cultural performances, facilities, and safety aspects.

The image that prospective tourists own about a destination is the primary determinant of the future visit. An image has been a factor which is essential because the tourism product itself is intangible and alike. Therefore, the primary purpose of a positioning strategy is to make a constructive image of the destination and reinforce it (Özdemir, 2007:105, in Aksoy & Kiyici, 2011, p.481).

Image may bring tourists to the past experiences they have ever had (Fakeye & Crompton, 1991). Phelps (1986) defined the primary image as the image constructed after visiting a destination. The image can also contain persuasive information (Fakeye & Crompton, 1991), and the organic image can from non-commercial (independent) sources. Also, the formal or induce image comes from the commercial organization responsible for managing a destination.

Lopes (2011) analyzed the latest guidelines for Tourism Marketing that the development of the image of a tourist destination is based on the consumer's rationality and emotionality. Besides, it is the result of the combination of two main components or dimensions. First is perceptual and cognitive, meaning there is a primacy of the importance and value given to each tourist destination attribute, motivating tourists to visit that destination. The

second is affective. It refers to feelings and emotions raised by tourist destinations. He suggested that the destination image is one of the most critical elements of a tourist destination and becomes a critical factor for the success or failure of tourism management. Lopes (2011) described the type of information used depending on the image as shown in Figure 1 (Adapted from Fakeye & Crompton, 1991).



**Figure 1. Type Of Information Used Depending On The Type Of Image (Adapted from Fakeye & Crompton, 1991)**

Source: Lopes (2013, p.311)

Phelps (1986) in Lopes (2011) defined the primary image as the image built after visiting the destination. Organic image is all of the information transmitted unintentionally by representatives of tourism destinations. Such information may be transmitted either via television, radio, books on geography or history, newspapers, magazines, or by people living at a tourist destination. Induced image is the image formed by the promotions and communications of the tourism organizations involved in a region (Gunn, 1972 in Lopes, 2011, p.310).

Based on those previous studies, this present study utilizes an image with the following dimensions, namely, primary image, organic image, and induce image.

Several previous studies have tested the relationship between tourist characteristics and resources with the image of the destination. Lopes (2011) shows that variables such as age, race, the fact that a person has visited a destination before, their level of education, motivation, and cultural values strongly influence the image of a destination that is created. It shows the

relationship between the tourist characteristic and the destination image.

Jamaludin, Aziz, Yusof & Idris (2013) examined the relationship between information sources and destination image and the relationship between destination image and overall satisfaction among local visitors. The finding revealed the existence of causal relationships between information sources and destination image, leading to positive visitors' satisfaction. "The image of a destination is a key element to attract tourists. The landscape and the variety of resources make a destination particularly attractive for the different types of tourists" (Abdellatif, Ksouri, Ayoun & Storai, 2015).

Therefore, based on the finding of previous literature, which show the relationship between tourist characteristics and resources with the image, then the hypothesis of this study is as follows:

Ha: tourist characteristics and resources affect the image.

## METHODS

This present study is a quantitative study using a time horizon of cross-sectional. The analysis unit in this study is visitors at Ciletuh Geopark in Sukabumi, West Java. The observation unit of this study is tourists visiting that area at the end of 2019. This study's sample was 100 people who were taken from visitors who were at the research site (Ciletuh Geopark) by accidental sampling.

Questionnaires were distributed by visiting these visitors.

The questionnaire consisted of two questions; closed and open questions. The questionnaire primarily uses closed questions about the research variables. Besides, open questions about questions outside the research variables were presented, allowing the researcher to dig more in-depth information. At the beginning of the questionnaire, it was asked about identity, namely age, sex, year of birth, and other variables that were useful for analysis.

The causality analysis is employed to explore the causal relationship between the variables. In this study, Partial Least Square (PLS) is used consisting of two linear equations, namely, the inner model and outer model. The structural model represents the relationship between latent variables, which cannot be measured directly. The measurement model of this study considers the relationship between latent variables and a group of manifest variables, which can be measured directly.

## RESULTS AND DISCUSSION

### *Goodness of Fit*

The Goodness of fit is a statistical evaluation of the overall model to be used. It acts as a guideline to assess the model appropriateness between the theoretical-based research model and empirical-based data. Structural Equation Model (SEM) is not one of the best statistical tests to explain the predictive power of a model, and there are several

index criteria to assess the suitability of the model. Furthermore, the Goodness of fit model has the objective to test whether the resulting model

describes the actual conditions. The following is the Goodness of fit results of this study.

**Table 1. Goodness of Fit**

No.	Degree of Fit	Value	Acceptable level	Conclusion
1	Chi Square	122.70	P –value > 0,05	Close Fit
	Normed Chi-Square (x2/df)	P -value = 0,51605		
2	Goodness of Fit Index (GFI)	0,96	>0,8	Close fit
3	Root Mean Square Error of Approximation (RMSEA)	0,000	RMSEA ≤ 0,08 (good fit) RMSEA < 0,05 (close-fit)	Close fit

Source: Processed data (2019)

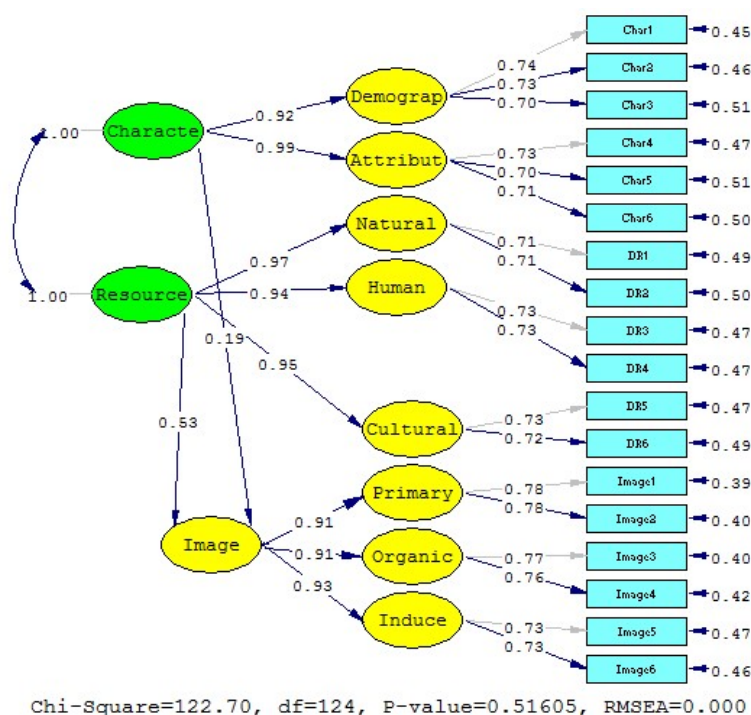
Based on Table 1, the value of Chi-Square uses the value of Satorra-Bentler (Satorra-Benteler Scaled). As shown in Table 1, the Chi-Square value, with the Degree of Freedom of 124, is 122.70, and the p-value of Chi-Square >0.05. Thus, according to the Chi-Square index, the suitability of this research model is fitted (Hair et al., 2010).

The RMSEA of this research model is 0.00. RMSEA is smaller than 0.05. Besides, the

Goodness of Fit Indice (GFI) > 0.80. So, it can be concluded that the research model is under empirical conditions. Hence, the structural model framework in this study is as follows:

$$\text{Image} = 0.19\text{CHAR} + 0.53\text{Resources} + \zeta_1$$

The following Figure 2 is the complete path diagram model of the research model.



**Figure 2. Structural Models and Measurements**

The loading factor of the measurement model is higher than 0.50, or the t-calculated value of the loading factor is higher than the t-table at 5% significance (Chin, 2000). So, the dimensions are valid in measuring the variables. The Composite Reliability and Cronbach's Alpha are used to see the reliability level of the

dimensions in measuring research variables. If the Cronbachs Alpha value is larger than 0.70 (Nunnally, 1994), the dimensions and indicators are reliable in measuring the research variables. The values of Cronbachs Alpha and other data are shown in Table 2.

**Table 2. Dimension-Indicator Measurement Model**

Variable	Dimension and Indicator	$\lambda$	Standard Error	t-calculated value	Composite Reliability	Cronbach's Alpha
Tourist Characteristics	<b>Demographic</b>	0,92	0,15	8,44	0,91	0,78
	Char1	0,74	0,45	-		
	Char2	0,73	0,47	11,43		
	Char3	0,70	0,51	11,01		
	<b>Attribute</b>	0,99	0,02	8,54		
	Char4	0,73	0,47	-		
Resources	Char5	0,70	0,51	10,71	0,93	0,71
	Char6	0,71	0,50	10,83		
	<b>Natural</b>	0,97	0,02	12,24		
	DR1	0,71	0,50	-		
	DR2	0,71	0,50	10,51		
	<b>Human</b>	0,94	0,12	12,16		

**Submitted:** June 2020, **Accepted:** September 2020, **Published:** September 2020

ISSN: 1412 - 3681 (printed), ISSN: 2442 - 4617 (online), Website: <http://journal.feb.unpad.ac.id/index.php/jbm>

Image	DR3	0,73	0,47	-	0,93	0,74
	DR4	0,73	0,47	10,81		
	<b>Cultural</b>	0,95	0,10	12,22		
	DR5	0,73	0,47	-		
	DR6	0,72	0,48	10,66		
	<b>Primary</b>	0,91	0,17	11,81		
	Image1	0,78	0,39	-		
	Image2	0,78	0,39	12,15		
	<b>Organic</b>	0,91	0,17	11,76		
	Image3	0,77	0,41	-		
	Image4	0,76	0,42	11,87		
	<b>Induce</b>	0,93	0,14	11,28		
	Image5	0,73	0,47	-		
	Image6	0,73	0,47	10,86		

### Hypothesis Testing

Table 3 shows the results of the hypothesis testing of this study.

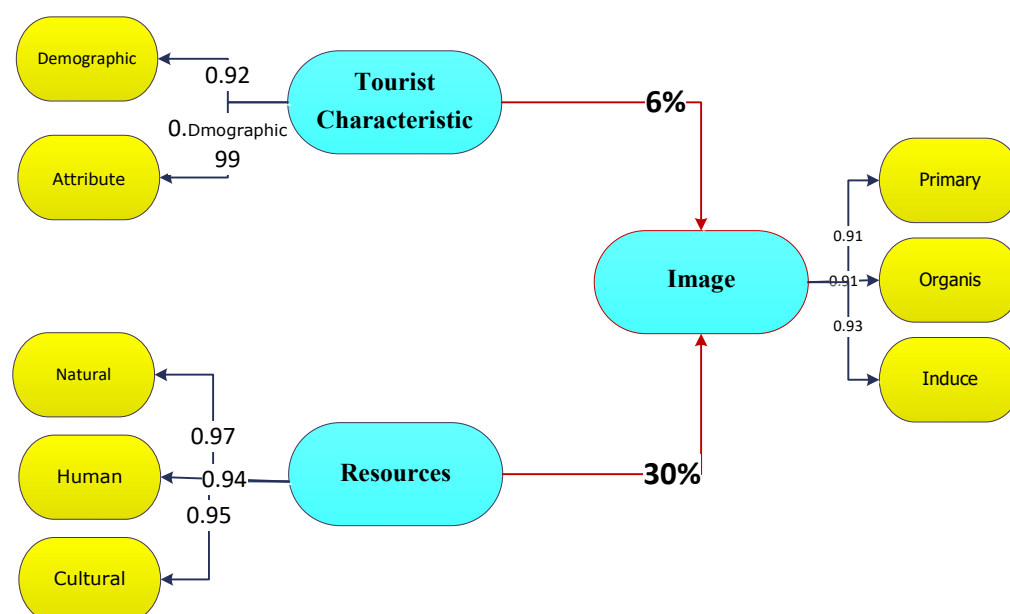
**Table 3. Partial Testing**

Hypothesis	$\gamma$	SE( $\gamma$ )	t-calculated value	R <sup>2</sup>
Tourist Characteristic -> Image	0,19	0,064	2,91*	0,06
Resources -> Image	0,53	0,076	7,01*	0,30

\*sig. at  $\alpha=0.05$

Table 3 shows that the effect of Tourist Characteristics and Resources on Image is significant because the t-calculated value is larger than the t-table (1.96). Besides, it is shown that the variable of Resources influences image by 30%.

Based on the hypothesis testing, the model of this research can be shown as follows:



**Figure 3. Research Finding**



The research results show that tourist characteristics and resources affect the image. Resources show a more dominant influence of 30% than the tourist characteristics of 6%. The image of Ciletuh Geopark is shaped more by the aspect of the induced image than the primary and organic images. These three types of images, hence, are more dominantly caused by resources than tourist characteristics.

The aspect of resources showing a dominant influence is natural resources, followed by cultural and human resources. Therefore, the image of Ciletuh Geopark is shaped more dominantly by the natural resources than the others. Natural resources relate to the environmental attractiveness, geological sites, and geo-site quality of the tourist destination. Cultural resources, on the other hand, relate to the variations of cultural attractions at the destination as well as their event frequency. Meanwhile, human resources are closely related to the competency and quality of the human resources managing the tourist destination.

The results of this study illustrate that the image of the Ciletuh Geopark tourist destination that is perceived by visitors is bigger because of their perception of existing resources. Tourist satisfaction in enjoying natural resources is the highest in shaping the image of the Ciletuh Geopark in the eyes of visitors. As known that Ciletuh Geopark, with an area of 128 thousand hectares, includes eight subdistricts in Sukabumi

regency, has tremendous natural resources. Ciletuh Geopark offers the harmonizing of the diversity of geology, nature, culture through conservation, education, and sustainable development.

The increasingly diverse uses of social media and increasing internet penetration in the community makes it easier for tourists to find attractive destinations. Posting pictures and videos by those who have visited a tourist destination certainly creates curiosity and interest for those who see it. Captivating and attractive images encourage people to visit tourist attractions. Moreover, Ciletuh Geopark has exciting natural resources. Although there are still several problems regarding destination management, the number of visitors continues to increase. The government has anticipated this by encouraging broader cooperation with related parties. Also, the community is encouraged to take part in the development of this tourist destination. This is intended so that the attractiveness of existing natural resources and cultural resources can be utilized with the support of reliable human resources to be able to elevate the image of Ciletuh Geopark as a world-class tourist destination.

The influence of tourist characteristics on the image in this study supports the study conducted by Lopes (2011). It means the variables such as age, race, the fact that a person has visited a destination before, their level of education,

motivation, and cultural values strongly influence a destination's image. It shows the relationship between the tourist characteristic and the destination image. This finding also supports Jamaludin, Aziz, Yusof, & Idris (2013), revealing the existence of causal relationships between information sources and destination image, which directly leads to positive visitor satisfaction.

The results of this research can be used as input to the management of the Ciletuh Geopark tourist area to improve the image of the destination by developing in terms of resources and by adapting the characteristics of tourists who come to the location.

## CONCLUSION AND RECOMMENDATIONS

This present study investigates the effect of tourist characteristics and resources on the image of Ciletuh Geopark. The results show that those two independent variables affect the image, and the resources show a more dominant influence than the tourist characteristics.

The results of this research give a managerial implication to the management of Ciletuh Geopark, primarily regarding the importance of increasing the image of the destination. This effort can be conducted by developing and improving the management of natural resources, cultural resources, and human resources. Those efforts need also be supported by the proper understanding of the tourist characteristics because these can increase the destination's image.

## REFERENCES

- Abdellatif, T., Ksouri, R., Ayoun, S. Storai, C. (2014). The Importance of the Image of a Destination in the Choice and Intention of Revisiting: The Case of Island of Djerba. Available at SSRN: <https://ssrn.com/abstract=2562044> or <http://dx.doi.org/10.2139/ssrn.2562044>
- Adiakurnia, M. I. (2018). *Geopark Ciletuh Dapat Pengakuan UNESCO Global Geopark*. Kompas Travel. <https://travel.kompas.com/read/2018/04/17/172000427/geopark-ciletuh-dapat-pengakuan-unesco-global-geopark>
- Aksoy, R. & Kiyici, S. (2011). A Destination Image As a Type of Image and Measuring Destination Image in Tourism (Amasra Case). *European Journal of Social Sciences*. 20(3), 478-488.
- Beerli, A., & Martín, J. D. (2004). Tourists' Characteristics and The Perceived Image of Tourist Destinations: a Quantitative Analysis—a Case Study of Lanzarote, Spain. *Tourism Management*. 25(5): 623-636. doi: <https://doi.org/10.1016/j.tourman.2003.06.004>.
- Buhalis, D. (2000) Marketing the Competitive Destination of the Future. *Tourism Management*, 21(1), 97-116.
- Cai, L. A., Wu, B., & Bai, B. (2004). Destination image and loyalty. *Tourism Review International*, 7(3/4), 153–162.
- Chin, W. W. (2000). Partial least squares for IS researchers: an overview and presentation of recent advances using the PLS approach. *Conference: Proceedings of the twenty first international conference on Information systems*.
- Fakeye, P.C. & Crompton, J.L. (1991). Differences Between Prospective, First-Time, and Repeat Visitors to the Lower Rio Grande Valley. *Journal of Travel Research*, 30(10).
- Gaffar, V., Wetprasit, HP., P. & Setiyorini, D. (2011). Comparative Study Of Tourist Characteristics On Cultural Heritage Tourism Sites: Survey On Tourist In Indonesia And Thailand Heritage Sites. *Journal of Tourism, Hospitality & Culinary Arts*. 3(3).
- Gunn, C.A. (1972). *Vacationscape: Designing Tourist Regions*, Taylor & Francis, Washington.
- Hosany, S., Ekinci, Y., & Uysal, M. (2006). Destination image and destination personality: An application of branding theories to tourism

- places. *Journal of Business Research*. 59. 638-642. 10.1016/j.jbusres.2006.01.001.
- Huete-Alcocer, N, Martinez-Ruiz, M.P, López-Ruiz V.R. & Izquiedo-Yusta, A. (2019). Archeological Tourist Destination Image Formation: Influence of Information Sources on the Cognitive, Affective and Unique Image. *Front. Psychol.* 10:2382. doi: 10.3389/fpsyg.2019.02382
- Itamar, H., Alam, A. S., & Rahmatullah. (2014). Strategi Pengembangan Pariwisata di Kabupaten Tana Toraja. Government. *Jurnal Ilmu Pemerintahan*, 7(2), 91-108.
- Jamaludin, M., Aziz, A., Yusof, A. R. M., & Idris, N. H. (2013). Information source influence destination image. *International Journal of Independent Research and Studies*, 2(4), 146-155.
- Kim, W. H., Malek, K., Kim, N. J., & Kim, S. H. (2017). Destination personality, destination image, and intent to recommend: The role of gender, age, cultural background, and prior experiences. *Sustainability MDPI (Switzerland)*, 10(1). <https://doi.org/10.3390/su10010087>
- Lopes, S.D.F. (2011). Destination image: Origins, Developments and Implications. *Pasos. Revista de Turismo y Patrimonio Cultural*. 9(2), 305-315.
- Luo, M., Feng, R., & Cai, L.A. (2004). Information Search Behavior and Tourist Characteristics. *Journal of Travel & Tourism Marketing*, 17(1) :2-3, 15-25. DOI: 10.1300/J073v17n02 02
- Ma, A.T.H., Chow, A.S.Y., Cheung, L.T.O., Lee, K.M.Y., & Liu, S. (2018). Impacts of Tourists' Sociodemographic Characteristics on the Travel Motivation and Satisfaction: The Case of Protected Areas in South China. *Sustainability, MDPI, Open Access Journal*. 10(10) 1-21.
- Madden, K., Rashid, B., Zainol, N.A. (2016). Beyond the motivation theory of destination image. *Tourism and Hospitality Management*, 22(2), 247-264.
- Melian-Gonzalez, A & Garcia-Falcon, J.M. (2003). Competitive potential of tourism in destinations. *Annals of Tourism Research* 30(1): 720–740.
- Newsome, D., Moore, S.A., & Dowling, R.K. (2012). Natural area tourism: Ecology, impacts and management. *Ecotourism. Channel view publications* 1280.
- Nunnally, J.C. & Bernstein, I.H. (1994). *Psychometric Theory, Edisi ke 3*. New York: McGraw Hill.
- Phelps, A. (1986). *Holiday destination image: the problem of assessment, Tourism Management*, 7(3), 168-180.
- Putri, S.M., Deliarnoor, N.A. & Nurasa, H. (2020). Implementasi Kebijakan Pemerintah Provinsi Jawa Barat Tentang Pengembangan Kawasan Geopark. *Jurnal Ilmiah Ilmu Pemerintahan*, 6 (1).
- Soedarsono, D.K. (2018). Comparison Between Communication Systems of Tourism Objects at Unesco Global Geopark to Create Tourism Branding. *Multiple Platform in Transformative Public Relations, Cultural and Tourism*. ASPIKOM Indonesia. p.335-344
- Triana, D., Nuraini, Q., & Rusfien, I.T. (2020). *Hubungan Kualitas Pelayanan Informasi Dengan Tingkat Kepuasan Pengunjung Di Geopark Information Center Palabuhan Ratu*. *Jurnal Penelitian Sosial*. Vol 4. No 2. Universitas Pakuan Bogor.
- Vengesayi, S., Mavondo, F., & Reisinger, Y. (2009). Tourism destination attractiveness: Attractions, facilities, and people as predictors. *Tourism Analysis*, 14(5), 621 - 636. <https://doi.org/10.3727/108354209X12597959359211>.
- World Tourism Organization. (2003). *WTO Think Tank Enthusiastically Reaches Consensus on Frameworks for Tourism Destination Success*. Retrieved 11 March, 2003a
- Yusuf, I.D.S., Rostitawati, T. & Obie, M. (2019). Cultural And Natural Resources As A Tourism Destination In Gorontalo Regency - Indonesia: Its Potentials, Problems, And Development. *International Journal of Tourism & Hospitality Reviews*. eISSN: 2395-7654. 6(2), 01-07. <https://doi.org/10.18510/ijthr.2019.621>

## SMES' E-COMMERCE ADOPTION TOWARDS CONSUMER EXPERIENCE

Nuryanti Taufik <sup>1</sup>, Faizal Haris Eko Prabowo <sup>2</sup>, Alicia Deana Santosa <sup>3</sup>, Andina Eka Mandasari <sup>4</sup>

<sup>1,3,4</sup> Universitas Siliwangi, Indonesia

<sup>2</sup> Universitas Galuh, Indonesia

### ABSTRACT

This study aims to determine how the effect of e-commerce adoption on SMEs towards consumer experience in shopping online and its impact on repurchases. This research is a quantitative study with a survey method. The analytical tool used is Structural Equation Modeling. The sample size in this study is 205 respondents who have made transactions on the fashion SME e-commerce websites. The results showed that the better the adoption of e-commerce carried out by SMEs fashion, the better it is in providing a good experience for consumers, which ultimately made consumers repurchase on the website. This study provides new measurements of consumer responses in the form of experience after using SME e-commerce websites.

**Keywords:** e-commerce adoption, SME, consumer experience, repurchase intention

## PENGARUH PENGADOPSIAN E-COMMERCE UMKM TERHADAP PENGALAMAN BELANJA KONSUMEN

### ABSTRAK

*Penelitian ini bertujuan untuk mengetahui bagaimana pengaruh pengadopsian e-commerce pada UMKM terhadap pengalaman konsumen dalam berbelanja online serta dampaknya terhadap pembelian ulang. Penelitian ini merupakan penelitian kuantitatif dengan metode survey, alat analisis yang digunakan adalah Struktur Equation Modeling dengan menggunakan software AMOS 23.0, ukuran sampel dalam penelitian ini adalah 205 responden yang sudah pernah melakukan transaksi di website e-commerce UMKM fashion. Hasil penelitian menunjukkan bahwa semakin baik pengadopsian e-commerce yang dilakukan oleh UMKM fashion maka hal tersebut mampu memberikan pengalaman yang baik pula bagi konsumen yang pada akhirnya membuat konsumen melakukan pembelian ulang di website e-commerce tersebut. Penelitian ini memberikan pengukuran baru mengenai respon konsumen dalam bentuk pengalaman setelah menggunakan website e-commerce UMKM.*

**Kata-kata Kunci:** pengadopsian e-commerce, UMKM, pengalaman konsumen, pembelian ulang

---

<sup>1</sup> **Korespondensi:** Nuryanti Taufik, S.E., M.Si. Management Department, Business and Economics Faculty, Universitas Siliwangi, Jln. Siliwangi No.24, Tasikmalaya 46115, West Java, Indonesia. Email: nuryanti.taufik@unsil.ac.id

## INTRODUCTION

The industrial revolution 4.0 has become a buzzing subject discussed by various groups, including business people. The industrial revolution 4.0 is a term born in 2011 in Germany, which was marked by a digital revolution, and in its application, it cannot be separated from the role of internet technology (Prasetyo & Sutopo, 2018; Satya, 2018). Marketing has become one of the things affected by the industrial revolution of 4.0. Many things have begun to change in marketing following the advent of internet technology, one of which is the emergence of e-commerce. E-commerce is an activity regulating the company's website to share information, maintaining relationships and conducting transactions using electronic networks (Zwass, 1996).

E-commerce provides benefits for producers and consumers. E-commerce for producers helps facilitate in reaching market share that is difficult to access offline, and it makes distribution channels faster. In contrast, the benefits of e-commerce for consumers are the ease of accessing global markets with a variety of products and services available from producers throughout the world (Ueasangkomsate, 2015).

Furthermore, the role of adopting e-commerce in a business has been tested and evaluated with the results that e-commerce can become a technology utilization strategy in product marketing that can have an impact on increasing revenue (Atun, Nita, & Tito, 2017). It means e-commerce can become one of the

marketing strategies that need to be considered in the era of the industrial revolution 4.0.

The adoption of e-commerce has begun to be carried out by various industrial sectors in Indonesia, including in the SME industry. SMEs that began to implement e-commerce in their business strategies have the potential to increase their competitiveness (Ramadhani & Arifin, 2013). Also, it is explained that if in the era of the industrial revolution 4.0 SMEs still had not adopted e-commerce in their businesses, SME would eventually lose out in market competition (Shah Alam, Ali, & Mohd. Jani, 2011).

The sustainability of SMEs becomes very important in the Indonesian economy, proven by the contribution of SMEs to the national GDP in 2018 which reached 60.34% (Syarizka, 2019). Therefore, adopting e-commerce as one of the strategies for developing SMEs in the industrial revolution 4.0 era becomes a crucial thing to be explored further. The concept of the role of adopting e-commerce to consumer responses has been discussed several times in the previous research involving attitudes, behaviors, and reuse as an impact of the e-commerce performance of a business (Sidharta & Boy Suzanto, 2015; Sidharta & Sidh, 2014). However, the concept of the research is still vague because it does not involve consumer responses in the form of the consumer experience. In contrast, the concept of the consumer experience is a reasonably comprehensive concept to find out customer responses in evaluating the performance of an e-commerce website.

Consumer experience itself is interpreted as an internal and subjective response of consumers to direct or indirect contact with the company (Meyer & Schwager, 2007). Direct contact generally occurs in the process of purchasing, use, and services that are felt directly by the customer, while indirect contact is an unplanned contact such as recommendations from others, reviews of other people's ratings, advertisements and so on (Taufik & Prabowo, 2018). Consumer experience is one of the critical concepts in understanding consumer responses to the strategy carried out by the company. A company should be able to place experience as one of the core components in creating value for consumers. Therefore, it is necessary to have research that discusses the effect of e-commerce adoption on the consumer shopping experience on e-commerce websites (Holbrook, 2007). Appropriate e-commerce adoption in a business can create a pleasant e-commerce experience and can have a positive impact on customer satisfaction, repurchases, positive WOM, and brand engagement (Kawaf & Tagg, 2017).

The concept of consumer experience usually used in research has five essential components in the measurement of which are sensory, feel, think, act, and relate (Schmitt, 1999). However, there is no measurement of how consumers respond in the form of experience after accessing or using the SME e-commerce website, so it is necessary to study this measurement concept further. Based on this explanation, this research will focus on how the

contribution of SME e-commerce adoption to the consumer experience and how it impacts repurchases intention.

## LITERATURE REVIEW

### *E-commerce*

E-commerce or electronic commerce is the process of buying, selling, transferring, or exchanging goods, services, and information through the internet (Shah Alam et al., 2011). E-commerce adoption contributes significantly to cost efficiency, the improvement of product/service quality, penetration of new customers, and suppliers, and it becomes a breakthrough in distribution channels (Pham, Pham, & Nguyen, 2011). Moreover, the benefits of e-commerce are not only utilized by large companies. SMEs have also begun to take advantage of e-commerce adoption in their business (Huff, 2000).

E-commerce adoption at SMEs is defined as the ability of SMEs to implement e-commerce in their business practices. The appropriateness of the adoption of e-commerce can be measured using a measurement of how well an e-commerce website is performing. Information availability, web design display, web layout display, transaction security, and personal data security are essential components in assessing how well an SME e-commerce website performs (Kim & Niehm, 2009; Suhardi & Taufik, 2018). Furthermore, the ease of use of the website can also be one indicator in measuring e-commerce performance. The easier a website is to use, it will

make consumers continue to access the website (Davis, 1989).

Furthermore, the performance of e-commerce can be measured by the interaction of SMEs with their customers through the provision of customer service facilities on the e-commerce website. Customer care service can facilitate the communication process between consumers and companies that are considered essential to provide responsive services for consumers (Parasuraman, Zeithaml, & Berry, 1988). Another indicator that can measure the performance of e-commerce adoption is the availability of many alternative payment options in the transaction process, which is one of the tangible forms of reliability component in SERVQUAL, the company's ability to provide reliable services including in the diversity of payment transaction options (Parasuraman et al., 1988).

### ***Consumer Experience***

Consumer experience is a cognitive, emotional, and behavioral response felt directly or indirectly by consumers regarding products, service processes, facilities, and other matters related to the use of a company's services and products (Adytia & Yuniawati, 2016; Carl, 2006). Consumer experience is obtained from the aspects of company offerings, customer service quality, advertising, packaging features for both products and services, ease of use, and product reliability (Meyer & Schwager, 2007). Good experiences obtained by consumers will bring a

positive response, and vice versa. If consumers have a bad experience, then the response that will arise is a negative response.

Responses in consumer experience are divided into five types of responses including 1) Sensory: the experience felt by consumers through the five senses they have; 2) Feel: the response of consumers in the form of feelings such as feelings of pleasure, feelings of disappointment and other feelings related to his opinion of certain products; 3) Think: a consumer response in their minds by evaluating the performance of a product, whether the product is a product that provides benefits for him or not, whether the product can meet his needs or not, and other assessments of the product he consumed; 4) Act: the consumer's response in behavior or taking action, for example discussing to others about the experience he had while using the product or sharing his experiences on social media or even giving a review rating on an e-commerce website; 5) Relate: the consumer's response to a product by assessing whether the product is congruence with itself or not (Schmitt, 1999).

### ***Repurchase Intention***

The repurchase is purchasing activities carried out more than once or several times (Peter & Olson, 2002). From this definition, it can be concluded that there is an intention of customers to re-buy the same product or service. This was obtained from customers who were satisfied with the services provided to encourage repurchase, be

loyal to the product or loyal to the store where the customer bought the goods, and tell good things to others (Melisa, 2012). The intention to repurchase (repurchase intention) is closely related to the concept of a desire to behave that is built on consumer attitudes toward objects' previous behavior.

Understanding consumers means companies must understand the attitudes and behavior of the consumers themselves. The intention to repurchase is based on satisfied customers with the services provided and in accordance with the customers' expectations or perceptions. Unsuitable expectations will have an impact on the negative views of customers after making a purchase.

Conversely, if the expectation is what the customer wants, it will have a positive impact in the future, and will inform others of the perceived performance of the product or service. From the above definition, it can be concluded that the intention to repurchase (repurchase intention) is an activity of a customer when making the first purchase and has a positive attitude so that he will repurchase in the future.

### ***SME E-commerce and Consumer E-commerce Experience***

Kawaf & Tagg (2017) explained in their research that the right application of e-commerce is able to create a pleasant shopping experience and ultimately has an impact on customer satisfaction, repurchase, recommendations or WOM, and brand engagement. Furthermore,

Sidharta and Sidh (2014) found that the ease and benefits of an e-commerce website were able to influence consumer attitudes and stimulate the reuse of the e-commerce website. However, the research still did not involve consumers' experience when using e-commerce; thus, there is a need for further research on the effect of e-commerce adoption on consumer experience in the SME industry. The research hypothesis is formulated as follows.

H1: E-commerce adoption influences consumer experience in the SME industry

### ***Consumer E-commerce Experience and Repurchase Intention***

Consumer experience can contribute to repurchases on e-commerce websites. The benefits and conveniences felt when using e-commerce are able to create a good shopping experience, and ultimately have an impact on online purchasing decisions through sustainable e-commerce (Mohamed, Hussein, Zamzuri, & Haghshenas, 2014). Furthermore, Adytia & Yuniawati (2016) explained in their research that the better memories obtained by consumers on a product/service, the greater the possibility of repurchasing. The research hypothesis is formulated as follows

H2: Consumer experience influences repurchases on the e-commerce website of the SME industry

## **METHODS**

This research is a quantitative study using survey methods. The scale used is the semantic scale as



a scale for measuring attitudes (Suliyanto, 2011). The object of this research is the fashion SME e-commerce website, namely [www.heavenlights.co](http://www.heavenlights.co), [www.vanillahijab.com](http://www.vanillahijab.com), [www.wearingklamby.com](http://www.wearingklamby.com), [www.cutebutik.com](http://www.cutebutik.com), [www.heylocal.id](http://www.heylocal.id). The analytical tool used is Structure Equation Modeling or SEM with AMOS 24.0. The population in this study are those who have already made a purchase transaction at the fashion SME e-commerce website at least once. The samples in this study were 205 respondents. This number has met the minimum sample size of the study (minimum sample =  $36 \text{ estimated parameter} \times 5 = 180$ ).

## RESULTS AND DISCUSSION

### *Demographic Characteristics of Respondents*

Based on the results, the study showed that the majority of respondents are in the age range of 18-26 years with 102 people (50%), while respondents aged 27-33 years are 86 people (42%), respondents aged 34-41 years are 14 people (7%) and three people (1%) who are over 41 years old. The number of respondents in this study is dominated by the age range of 18-26 years and ages 27-33 years. It is because online shopping transactions through e-commerce websites are more easily understood and carried out by respondents at that age range. They are more comfortable doing online transactions than conventional transactions. On the other hand, the respondents at this age are productive age and generally do not have routine household expenses, so they spend more on shopping.

Other results show that the respondents were dominated by those with expenditures of less than Rp 5,000,000, with 129 respondents (63%), while respondents with expenditures of Rp. 5,000,001 - Rp. 10,000,000 are 64 people (31%), respondents with expenditures of Rp 10,000,000 - Rp 15,000,000 are 12 people (6%) and no respondents with expenditures of more than Rp 15,000,000.

Based on field findings, the answer is dominated by respondents with expenditures below Rp 5,000,000. It is because the product price that sold on e-commerce websites in the current research is a medium-low fashion segment of SME's products with a price range of Rp 100,000 - Rp 500,000. The price of fashion products sold on e-commerce websites in the current research is a medium-sized fashion segment of SME's products with a price range of Rp 100,000 - Rp 500,000.

Furthermore, the research respondents are mostly students and private employees with a total of 73 respondents (35%) and 61 people (30%) respectively, and the remaining 32 people (15%) worked as Civil Servants, 20 people (10 people %) are housewives, and 19 (9%) are other occupations. The majority of respondents are students and private employees because the fashion products offered are those with designs and styles suitable for them who have more diverse clothing needs for their activities.

The last respondent characteristic is based on the level of his last education. Most of the respondents are people with a bachelor's degree

with 141 people (69%), while the remaining 52 people (25%) are a high school graduate and 12 people (6%) have a master's degree, and there were no respondents with a doctoral degree. In this study, many respondents with a bachelor's degree because they have a higher level of literacy and understanding of the internet and technology than high school graduates. Few respondents with a master's degree and the absence of respondents with a doctoral degree are due to the limited number of master's degrees and doctoral degrees in Indonesia.

### Goodness of Fit Model

Goodness of fit models in SEM analysis is carried out to ensure that the research model is a fit model and can be used in other studies. Goodness of fit model can be seen by comparing the results of ChiSquare, Probability, CMIN / DF, GFI, AGFI, TLI, CFI, and RMSEA analysis with Cut of value. Goodness of fit of this model can be accepted, or the model is categorized fit if a minimum of 5 criteria is met. After analyzing the data using SEM with AMOS 23.0 software, the results of goodness of fit are obtained in Table 1.

**Table 1. Goodness of Fit**

Goodness of Fit Index	Cut of Value	Model Analysis Result	Classification
$\chi^2$ – Chi Square	< $\chi^2$ 143,25 (p 0,05; df 113)	210,693	Marginal
Probability	> 0,000	1,44	Marginal
CMIN/DF	< 2,00	1,801	Good fit
RMSEA	< 0,08	0,063	Good fit
GFI	> 0,90	0,902	Good fit
AGFI	> 0,90	0,872	Marginal
TLI	> 0,95	0,951	Good fit
CFI	> 0,95	0,958	Good fit

Source: Primary data

Based on Table 1, it can be seen that there are five criteria for testing the goodness of fit model that falls into the good category. It means that the model in this study belongs to the very fit model or a very good model.

### Hypothesis Test

Hypothesis testing is a step to test whether the research hypothesis can be accepted or rejected. Hypothesis testing in SEM analysis is done by comparing the value of t table with t value (CR) or t table < t value analysis results of the calculation of the relationship between the independent variable and the dependent variable. For more details, can be seen in Table 2 below:

**Table 2. Hypothesis Test Results**

Research Hypothesis	CR value	t table	P	Hypothesis test result
E-commerce → Consumer Experience	11,6743	1,971	0,0000	Accepted
Consumer Experience → Repurchase Intention	6,8845	1,971	0,0000	Accepted

Source: Primary data

Based on Table 2, it can be seen that all research hypotheses can be accepted. This means that the adoption of e-commerce in the SME industry affects the experience of consumers. Subsequently, the experience of consumers influences consumer repurchases on the e-commerce website. The better the adoption of e-commerce in an SME, the better the experience that consumers will feel, which the desire to make repeat purchases will be even greater.

### ***Effect of E-commerce Adoption on Consumer Experience***

The results found that the adoption of e-commerce affects consumer experience. The better the performance of e-commerce websites adopted by SMEs, the better the experience felt by consumers. Indicators measuring the adoption of SME variables consist of eight: information, convenience, web layout, web design, personal data security, transaction security, diversity of transaction options, and communication. Based on the results of the study, of the eight indicators of adoption of e-commerce, the following is a sequence of indicators for the adoption of SME e-commerce based on the strongest to the weakest influence.

Information becomes the indicator that has the most significant influence in influencing the consumer experience. Information becomes vital in the online shopping process on e-commerce websites. The shopping process on e-commerce websites is done independently by consumers without being guided by people from the seller.

All the smallest forms of information are considered in the decision to shop online. The more detailed the information provided, the more understanding of the product will be bought and can minimize misunderstandings in transactions on e-commerce websites.

The second indicator that has the biggest influence on the experience of consumers in using the e-commerce website of SME is the ease of transactions. The purpose of people doing shopping transactions through the SME website,

one of which is the ease of doing transactions. Consumers can easily buy the products they want wherever and whenever. Thus, no wonder if the ease of transaction can give a strong enough influence on the consumer experience. SME e-commerce website must be able to offer convenience in transactions such as easy product selection process, easy shopping checkout process, and other convenience facilities that are able to make consumers have no trouble when going to make transactions on e-commerce websites. The third indicator that has a strong influence on consumer experience is the diversity of payment options. Many payment transaction options provide a good experience for consumers because consumers will usually object if they have to do transactions between banks that are different due to administrative costs for interbank transfers.

The fourth indicator of SME adoption is website design. Website design is everything related to the appearance of the SME e-commerce site itself. Several research respondents explained that the appearance of an attractive e-commerce website can provide a pleasant online shopping experience. Therefore the adoption of e-commerce at SMEs needs to consider very carefully when choosing themes, colors, display icons, menu choices, fonts if likened to a website design, and the appearance of stores in offline stores. If an SME wants to provide a pleasant shopping experience, it is necessary to make a comfortable and attractive appearance for consumers.

Furthermore, the fifth indicator of e-commerce adoption in SME is transaction security. Transaction security becomes an essential part of building a pleasant shopping experience for consumers, especially consumers in online shopping transactions because buyers and sellers do not meet directly. Adopting e-commerce at SMEs can minimize the occurrence of fraud due to all transactions carried out through the website and the payment process was clear compared to shopping online only through chat applications or social media such as WhatsApp, Line, Facebook, and Instagram.

The next indicator of SME adoption is communication. The purpose of communication here is the availability of consumer communication services with the seller. An e-commerce website that can provide a pleasant experience is a website that provides chat/chat services with an admin or customer service department ready to answer every question consumers during transactions on the e-commerce website. The sixth indicator of SMEs adoption is the layout of the web menu, shopping cart, and photo placement, which can influence the consumer experience even though the effect is relatively low. It means consumers are not too concerned about web layout. The indicator which has the lowest influence, among other indicators, is the security of personal data.

Consumers have not cared about the importance of maintaining the confidentiality and security of personal data such as full names, home addresses, telephone numbers, and account

numbers. This study's results are in line with several previous studies (Kawaf & Tagg, 2017; Pham et al., 2011; Shah Alam et al., 2011; Sidharta & Sidh, 2014) that the use of e-commerce can contribute to the consumer experience. The better the adoption of e-commerce in an SME, the better the memories of consumers' experience.

### ***Effect of E-commerce Experience on Repurchases Intention***

The results of this study are in line with the results of previous studies (Adytia & Yuniawati, 2016; Luh, Yolandari, Made, & Kusumadewi, 2018; Mohamed et al., 2014; Weisberg, Te'eni, & Arman, 2011) that by creating a memorable experience for consumers, it will stimulate consumers to conduct repeat purchases. The results showed that consumers' experiences when shopping on e-commerce websites of SMEs were able to influence their desire to make repeat purchases. In other words, the better experience felt while shopping online would make them re-access the e-commerce website and make repeat purchases. Indicators of consumer experience in this study consist of five measurement components: *sensory, feel, think, act, and relate*.

Based on the results of the analysis, the think indicators are the indicators that most influence consumer repurchases on the SME website. This is because they think that by shopping through SME e-commerce websites, they benefit from saving time shopping. Consumers think that by shopping online through

e-commerce websites, they do not need to take their time to go to stores or shopping centers, especially those who are busy and do not have much time to shop. The next benefit is saving the cost-efficiency in getting goods that consumers want. Consumers do not need to pay for transportation costs to meet their needs and desires. Transportation costs are cut to be cheaper at the cost of shipping the goods.

The next indicator that gives the second biggest effect on repurchase is sensory. Sensory indicators relate to everything that is felt by consumers through their five senses. In this case, the eyes become the primary five senses that reflect how consumers experience while accessing the SME e-commerce website. The results showed that the website's appearance was beautiful, neat, well organized, and clear both in terms of product images and icons and others able to spoil the eyes of consumers, which ultimately makes consumers re-access the website and make repeat purchases. Furthermore, the third indicator that gives effect to consumer repurchases is feeling.

This indicator is related to the emotional feelings of consumers. Pleasant and happy experiences when accessing e-commerce websites can arouse the desire of consumers to re-access the website and make repeat purchases. The fourth indicator is an act. The act indicator relates to consumer actions after conducting transactions on e-commerce websites, such as giving ratings/reviews related to their online shopping experience. The indicator of consumer

experience whose influence is the weakest is relate. This indicator is related to the suitability of online shopping behavior through e-commerce websites with consumers' lifestyles. The results of the study show that the relate indicator affects, but the effect is still weak. For consumers, online shopping has not become a major lifestyle for them, so the relate indicator has the lowest influence, among other indicators.

## CONCLUSION

This study shows that the right e-commerce adoption is able to give an impressive experience for consumers who have made transactions on the e-commerce website of SME, with a sequence of eight assessment indicators, namely from the strongest influence to the weakest. They are information, ease of use, diversity of transaction options, web design, transaction security, web layout, and personal data security. The consumer experience that influences repurchase are three indicators of consumer experience from the most influence, namely sensory, feel, and think to the weakest influence, namely act and relate.

The results of this study can be used as a reference for SMEs in adopting e-commerce in their business. Things that need to be taken into account when wanting to implement e-commerce are 1) provide clarity of information so consumers can understand the details of the product; 2) make an e-commerce website that is easily accessed/operated by consumers; 3) provides many payment options, for example, providing several bank accounts for transactions

with payment options via ATM, internet/mobile banking, payment through Alfamart/Indomaret and other payment platforms; 4) creating an e-commerce website with an attractive design; 5) ensuring transaction security from fraud; 6) displaying e-commerce websites with the right layout; 7) providing chat services with admin or CS as a form of shopping guide if consumers are confused in transactions; 8) ensuring the security of personal data so as not to be leaked and used by irresponsible parties. Besides, this study can also provide suggestions for further research by confirming more complex measures of consumer response, such as consumer trust, loyalty, and WOM.

## REFERENCES

- Adytia, C. A., & Yuniawati, Y. (2016). PENGARUH CUSTOMER EXPERIENCE TERHADAP REVISIT INTENTION DI THE TRANS LUXURY HOTEL BANDUNG (Survei pada Wisatawan Sebagai Individual First Timer Guest The Trans Luxury Hotel Bandung). *THE Journal: Tourism and Hospitality Essentials Journal*, 5(1), 857. <https://doi.org/10.17509/thej.v5i1.1993>
- Atun, M. H., Nita, S., & Tito, A. W. (2017). Pemanfaatan Web E-Commerce untuk Meningkatkan Strategi Pemasaran. *Khazanah Informatika, Jurnal Ilmu Komputer Dan Informatika*, 3(1), 6–15. Retrieved from <http://journals.ums.ac.id/index.php/khif/article/view/3309/2784>
- Carl, W. J. (2006). What's all the buzz about?: Everyday Communication and the Relational Basis of Word-of-Mouth and Buzz Marketing Practices. *Management Communication Quarterly*, 19(4), 601–634. <https://doi.org/10.1177/0893318905284763>
- Davis, F. D. (1989). Perceived Usefulness, Perceived Ease of Use, and User Acceptance of Information Technology. *Delle Vicende Dell'agricoltura in Italia; Studio e Note Di C. Bertagnolli.*, 13(3), 319–340. <https://doi.org/10.5962/bhl.title.33621>
- Holbrook, M. B. (2007). Book Reviews: The Consumption Experience—Something New, Something Old, Something Borrowed, Something Sold: Part 4. *Journal of Macromarketing*, 27(3), 303–319. <https://doi.org/10.1177/0276146707305478>
- Huff, S. L. (2000). *Cases in Electronic Commerce*. McGraw-Hill.
- Kawaf, F., & Tagg, S. (2017). The construction of online shopping experience: A repertory grid approach. *Computers in Human Behavior*, 72, 222–232. <https://doi.org/10.1016/j.chb.2017.02.055>
- Kim, H., & Niehm, L. S. (2009). The Impact of Website Quality on Information Quality, Value, and Loyalty Intentions in Apparel Retailing. *Journal of Interactive Marketing*, 23(3), 221–233. <https://doi.org/10.1016/j.intmar.2009.04.009>
- Luh, N., Yolandari, D., Made, N., & Kusumadewi, W. (2018). TERHADAP NIAT BELI ULANG SECARA ONLINE MELALUI KEPUASAN PELANGGAN ( Studi Pada Situs Online Berrybenka . com ). *Jurnal Manajemen Unud*, 7(10), 5343–5378.
- Melisa, Y. (2012). PENGARUH BAURAN PEMASARAN RITEL TERHADAP KEPUTUSAN PEMBELIAN ULANG KONSUMEN MEGA PRIMA SWALAYAN PAYAKUMBUH. *Jurnal Manajemen*, 01(01), 151–163.
- Meyer, C., & Schwager, A. (2007). Understanding customer experience. *Harvard Business Review*, 85(6), 137.
- Mohamed, N., Hussein, R., Zamzuri, N. H. A., & Haghshenas, H. (2014). Industrial Management & Data Systems Article information: *Industrial Management & Data Systems*, 114(9), 1453–1476. <https://doi.org/10.1108/IMDS-07-2014-0201>
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality. *Journal of Retailing*, 64(1), 12–37.
- Peter, J. P., & Olson, J. C. (2002). *Consumer Behavior and Marketing Strategy* (Sixth). McGraw-Hill Irwin.
- Pham, L., Pham, L. N., & Nguyen, D. T. T. (2011). Determinants of e-commerce adoption in vietnamese small and medium sized enterprises. *International Journal of Entrepreneurship*, 15.
- Prasetyo, H., & Sutopo, W. (2018). INDUSTRI 4.0: TELAAH KLASIFIKASI ASPEK DAN ARAH

- PERKEMBANGAN RISET. *J@ti Undip: Jurnal Teknik Industri*, 13(1), 17–26. <https://doi.org/10.2307/1782970>
- Ramadhani, F., & Arifin, Y. (2013). Menyiapkan Jalur Pembinaan dan Disamping kemampuannya dalam menyerap Akselerasi Para Calon tenaga kerja, sektor ini secara umum memiliki Industriawan/Koperasi dan UKM jumlah atau unit usaha yang lebih besar atau Digital. Diseminarkan pada Konfrensi lebih. *Economics Development Analysis Journal*, 1(1), 135–139.
- Satya, V. E. (2018). Kajian Singkat Terhadap Isu Aktual Dan Strategis Strategi Indonesia Menghadapi Industri 4.0. *Kajian Singkat Terhadap Isu Aktual Dan Strategis Strategi Indonesia Menghadapi Industri 4.0*, X(09), 19.
- Schmitt, B. (1999). Experiential Marketing. *Journal of Marketing Management*, 15(1–3), 53–67. <https://doi.org/http://dx.doi.org/10.1362/026725799784870496>
- Shah Alam, S., Ali, M. Y., & Mohd. Jani, M. F. (2011). An empirical study of factors affecting electronic commerce adoption among SMEs in Malaysia. *Journal of Business Economics and Management*, 12(2), 375–399.
- Sidharta, I., & Boy Suzanto. (2015). Pengaruh Kepuasan Transaksi Online Shopping Dan Kepercayaan Konsumen Terhadap Sikap Serta Perilaku Konsumen Pada E-Commerce. *Jurnal Computech & Bisnis*, 9(1), 23–36. Retrieved from <http://jurnal.stmik-mi.ac.id/index.php/jcb/article/download/124/148>
- Sidharta, I., & Sidh, R. (2014). Pengukuran Persepsi Manfaat Dan Persepsi Kemudahan Terhadap Sikap Serta Dampaknya Atas Penggunaan Ulang Online Shopping Pada E-Commerce. *Jurnal Computech & Bisnis*, 8(2), 92–100.
- Suhardi, D., & Taufik, N. (2018). The Analysis of Ease of Use, Trust, and Website Quality towards Purchasing Decision in Lazada.co.id. *Indonesian Journal Of Business And Economics*, 1(1), 38–48. <https://doi.org/10.25134/ijbe.v1i1.1358>.
- Suliyanto, S. (2011). *Ekonometrika Terapan : Teori & Aplikasi* (Ed. 1). Yogyakarta: ANDI.
- Syarizka, D. (2019). *Kontribusi UMKM terhadap PDB 2019 Diproyeksi Tumbuh 5%*. Retrieved from <https://ekonomi.bisnis.com/read/20190109/12/876943/kontribusi-umkm-terhadap-pdb-2019-diproyeksi-tumbuh-5>.
- Taufik, N., & Prabowo, F. H. E. (2018). Kur-mikro bri customer experience measurement. *Jurnal Ekonologi Ilmu Manajemen*, 5(P-ISSN : 2355-6099 e-ISSN : 2620-6188), 307–311.
- Ueasangkomsate, P. (2015). Adoption E-Commerce for Export Market of Small and Medium Enterprises in Thailand. *Procedia - Social and Behavioral Sciences*, 207, 111–120. <https://doi.org/10.1016/j.sbspro.2015.10.158>
- Weisberg, J., Te'eni, D., & Arman, L. (2011). Past purchase and intention to purchase in e-commerce: The mediation of social presence and trust. *Internet Research*, 21(1), 82–96. <https://doi.org/10.1108/10662241111104893>
- Zwass, V. (1996). Electronic commerce: Structures and issues. *International Journal of Electronic Commerce*, 1(1), 3–23.

## IMPACT OF INCOME, CONSUMPTION, SAVING, AND NUMBER OF ZAKAT MANAGEMENT ORGANIZATIONS ON THE ZAKAT FUND COLLECTION

Deru R Indika <sup>1</sup>, Sarah Nur Fauziyyah Himawan <sup>2</sup>, Egi Arvian Firmansyah <sup>3</sup>  
<sup>1,2,3</sup> Universitas Padjadjaran, Indonesia

### ABSTRACT

The good and responsible use of *zakat* funds can benefit the entire community. As the Muslim-majority country, Indonesia had the *zakat* potential of around 217 trillion rupiahs (in 2017). However, the realization of *zakat* fund collection was only 1.8% or around 4.1 trillion rupiahs. The same thing also happened primarily in the province of West Java, which could only collect *zakat* funds of around 2% of its entire *zakat* potential of 17.6 trillion rupiahs. This research aims at analyzing the factors affecting the collection of *zakat* funds in the cities of West Java. The data used in this research is the secondary data (from 2011-2017), acquired from the Central Bureau of Statistics (BPS), The Ministry of Religion, and BAZNAS (Nasional *Zakat* Agency). The data is analyzed using the Multiple Linear Regression Model and Generalized Least Squares (GLS) or Random Effect Method. The results of this research show that income, consumption, and the number of *Zakat* Management Organizations have a positive and significant effect on the *zakat* fund collection while saving has a negative and insignificant effect on *zakat* fund collection in West Java.

**Keywords:** *zakat* funds, income, consumption, saving, *zakat* institutions, generalized least square

## DAMPAK TINGKAT PENDAPATAN, KONSUMSI, TABUNGAN DAN JUMLAH ORGANISASI PENGELOLA ZAKAT TERHADAP PENGHIMPUNAN DANA ZAKAT

### ABSTRAK

Pendayagunaan dana zakat yang baik dan bertanggungjawab dapat bermanfaat bagi seluruh masyarakat. Indonesia sebagai negara yang mayoritas berpenduduk muslim mempunyai potensi zakat mencapai 217 triliun rupiah (tahun 2017) realisasi pengumpulan dana zakatnya hanya 1,8% yaitu sebesar 4.1 triliun rupiah. Hal yang sama juga terjadi di provinsi Jawa Barat yang baru bisa mengumpulkan dana zakatnya 2% dari potensi zakatnya yang mencapai 17.6 triliun rupiah. Tujuan dari penelitian ini adalah untuk menganalisis faktor-faktor yang mempengaruhi penghimpunan dana zakat di seluruh kota di Jawa Barat. Data yang digunakan dalam penelitian ini adalah data sekunder periode 2001 – 2017. Data yang digunakan peneliti diambil dari Badan Pusat Statistika (BPS), Kementerian Agama serta Badan Amil Zakat Nasional (BAZNAS). Data dianalisis dengan menggunakan model regresi linear berganda dan metode Generalized Least Square (GLS) atau Random Effect. Hasil penelitian ini menunjukkan bahwa peningkatan jumlah pendapatan, pengeluaran konsumsi serta Organisasi Pengelola Zakat (OPZ) memiliki pengaruh positif dan signifikan terhadap peningkatan penghimpunan dana zakat sedangkan tingkat tabungan memiliki pengaruh negatif dan tidak signifikan terhadap penghimpunan dana zakat di Jawa Barat.

**Kata-kata Kunci:** dana zakat, pendapatan, konsumsi, tabungan, organisasi pengelola zakat, generalized least square

<sup>1</sup> **Korespondensi:** Deru R Indika, S.E., MBA. Fakultas Ekonomi dan Bisnis, Universitas Padjadjaran. Jln. Dipati Ukur No. 35 Bandung, 40135, Jawa Barat, Indonesia. Email: deru.indika@unpad.ac.id



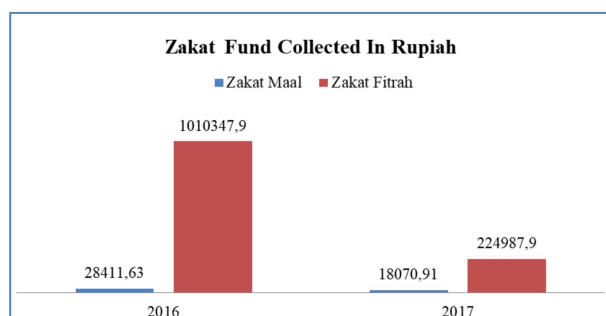
## INTRODUCTION

In the concept of Islamic economics, it is explained that *zakat* is the main instrument of redistribution and income distribution for realizing prosperity. *Zakat* is not only a transfer of wealth from the rich to the poor but also a source of state financial income in developing the welfare of Muslims in various sectors, such as infrastructure, education, and science development. In practice, however, the economic empowerment of Muslims through the implementation of *zakat* still faces many obstacles. The primary cause of this problem lies in the Muslims themselves. The implementation of *zakat* in the Muslim community is the lack of an adequate understanding of *zakat*, such as the amount of *zakat*, *nishab*, and the time to pay certain *zakat*. Hence, the implementation of *zakat* is highly dependent on each individual (Hakim, 2016).

There are still many Muslims, especially in Indonesia, who have not paid *zakat*. Of the total population, Muslims make up to 80 percent, and the potential of *zakat* was around 217 trillion rupiahs (Saubani, 2018). However, in 2017, the number of recorded *zakat* was only about 4.1 trillion rupiahs (BAZNAS, 2018). It is caused by the low awareness of Muslims to pay *zakat* and the preference of paying *zakat* directly to families or informal *zakat* managers. Hence, the record of *zakat* funds may not be entirely representative (Fitriyah, 2017). So, the realization of *zakat* collection in Indonesia is still far from the ideal.

This phenomenon also prevails in West Java, the province with the most population in Indonesia. In West Java Province, with a Muslim population of 45 million people, around 50 percent of them are *muzakki* (an Islamic term for *zakat* payers). Its *zakat* revenue potential was around 17.6 trillion rupiahs or around 7% of the national scale. However, BAZNAS could only raise *zakat* funds in West Java of around 500 billion rupiahs, far from the potential (Nurulliah, 2017). In other words, only about 2 percent of the West Javanese Muslims have fulfilled their *zakat* obligation through formal *zakat* institutions.

The most common *zakat* paid by Muslims is the *zakat al-fitr* paid every Ramadan month. Other types of *zakat* that should be paid by Muslims are *zakat al-maal* or *zakat* on assets, such as income *zakat*, *zakat* from farming, and gold. *Zakat al-maal* is taken from wealth, both in terms of traditional contexts such as agricultural products, mineral resources, gold, jewelry, cash, business, and livestock, as well as in modern contexts, such as income from assets, salaries, and securities (Canggih, Fikriyah, & Yasin, 2017). As shown in Figure 1, the knowledge of Muslims about the obligation to pay *zakat al-maal* is still minimal, as evidenced by the difference in the number of collected funds from *zakat al-fitr* and *zakat al-maal*. Ideally, the difference between these two types of *zakat* should not be significant.



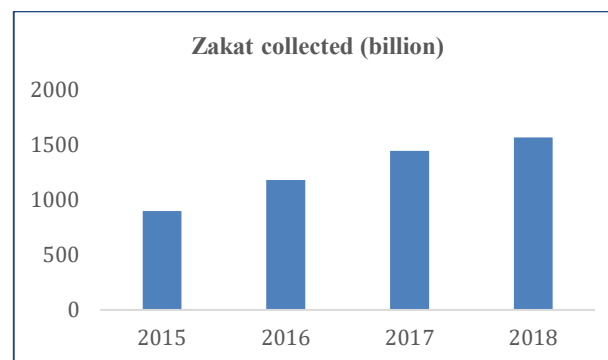
**Figure 1. Zakat Maal and Zakat al-Fitr Collected in West Java**

Source: Central Bureau of Statistics of West Java 2016 – 2018 (processed data)

In addition to the awareness, some other things affect the decision of Muslims to pay *zakat*. Those factors include income level, consumption expenditure, amount of savings (Noviarita, 2015), and the number of *zakat* management organization (ZMO) available around them (Kusmanto, 2014). An active role of ZMO in promoting *zakat* collection service also affects the intention of the *muzakki* to pay *zakat* (Mubarok & Fanani, 2014). The issue of *zakat* is not limited to the collection, but also how the *zakat* is distributed so that the existence of ZMO becomes an essential pillar in realizing people's welfare (Manurung, 2013).

It can be seen from Figure 2, where the growth of *zakat* collection in 2017 began to slow down when compared to the growth in 2016, which was only 13.1%. Later, it increased in 2018 by 20.63%. The increase in the amount of *zakat* collection is inseparable from the increasing public trust in BAZNAS. BAZNAS continues to develop innovations with the *zakat* digitization approach to facilitate *zakat* payments. With better

service facilities, the *zakat* collection will increase every year



**Figure 2. Zakat Collected by BAZNAS (2015-2019)**

Those factors are essential to note because they affect the decision to pay *zakat* and determine the amount of *zakat* payment. *Zakat* is not only charged from fixed income but also non-fixed income, such as bonuses, honoraria, and other types of service income (MUI, 2003). The central problem of *zakat* in West Java, including in all of its cities, is the low amount of *zakat* collection, as shown by the low percentage of the collected amount compared to its potential. To see the root of this problem, this present study analyzes the effect of income, consumption, savings, and the number of ZMO on the collection of *zakat* funds.

## LITERATURE REVIEW

In the macroeconomic approach, specifically in the variable of consumption expenditure, savings, and investment, *zakat* aggregately plays a significant role. So, it can be an indicator of the macroeconomic variable. In addition to a part of

religious obligation, *zakat* contains socioeconomic responsibilities for creating income redistribution between the rich and the poor (Noviarita, 2015).

Household consumption decisions have a considerable influence on the overall behavior of the economy, both in the short and long term. In the short run, consumption fluctuations have a significant influence on economic fluctuations. In the long run, household consumption decisions affect other macroeconomic variables. The current level of public consumption is influenced by the consumption of the previous period, disposable income of the current period, and the disposable income of the previous period (Persaulian, et al., 2013). *Zakat* has an influence on three macro indicators, namely aggregate consumption, aggregate investment, and aggregate supply. The injection of *zakat* funds will increase consumption and reduce savings (BAZNAS, 2019). the increase in the level of consumption is an indicator of improvement in the people's economy. With the increase in people's purchasing ability, as one of the public expenditure posts, *zakat* should also increase, especially since *zakat* is an obligation for Muslims.

*Zakat* collection also depends on the number of *zakat* institutions. Some said that the growing number of *zakat* institutions had not shown a substantial result in terms of *zakat* collection since the majority of people are reluctant to pay *zakat* through *zakat* institutions

because of religiosity, location, service, and trust (Daulay & Lubis, 2015). A negative image also arises because *zakat* collection organizations are considered affiliated with certain political parties and religious institutions with negative images.

Trust in ZMOs can be built if the *zakat* institution is able to build public trust if it is transparent in its management, especially in terms of financial disclosure to their stakeholders (Aziz & Anim, 2019).

Furthermore, the ZMOs do not yet have an accurate database of *mustahiq* and possess an image that they have poor performance (Mubarak & Fanani, 2014). They play a crucial role since the distributed *zakat* funds play an essential role in eradicating poverty in society (Senadjki, Nachev & Rusli, 2015).

## METHODS

This present study uses a descriptive quantitative approach to attain an overview of the processed data, primarily about the influence and relationship among the variables. The analysis employed in this study is a panel data regression, used to determine the relationship between several independent variables with one dependent variable.

Panel data (pooled data) is a regression analysis based on panel data (a combination of time series and cross-sections) to observe the relationship between one dependent variable with one or more independent variables (Pangestika, 2015).

According to Kuncoro (2011), some advantages that can be obtained using panel data estimates are a higher number of observations and more variations between different units according to particular space and time. Besides, Widarjono (2007) explained that panel data estimates provide an advantage for research in terms of a high number of observations, increasing the degree of freedom. The combination of cross-section and time-series data can overcome problems that occur when there are problems with variable removal.

This present study uses secondary data consisting of the reports on the amount of consumption, savings, public income, and reports on the number of ZMO in West Java. The data are obtained from the Central Statistics Agency (BPS), the Ministry of Religion, and BAZNAS. This research uses the annual scale data from 2012 to 2017.

The sampling technique used in this study is a saturated sampling technique, which is a sampling technique allowing all members of the population to be used as samples (Sugiyono, 2018). A saturated sampling is conducted if the population is relatively small, i.e., less than 30 people. Thus, all districts or cities in West Java are samples in this research, consisting of 18 districts and nine cities. Data processing of this study uses Microsoft Excel 2010 and EViews version 9 software.

Nachrowi & Usman (2006) explained the econometric equation model of panel data regression as follows:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \dots + \beta_n X_{nit} + e_{it}$$

Where:

$Y_{it}$  = dependent variable

$X_{it}$  = independent variable

$i$  = entity  $i$

$t$  = period  $t$

In selecting the panel data estimation model which will be used, whether the Common Effect, Fixed Effect, or Random Effect, we performed the three tests, namely the Chow Test, Hausman Test, and Lagrange Multiplier test (LM). After determining the right model for panel data estimation, we performed the classic assumption tests consisting of the normality test, heteroscedasticity test, and multicollinearity test. Thus, we could ensure that the data, variables, and models to be estimated are according to their designations. In the hypothesis testing, F-test, t-test, and the coefficient of determination are used to answer the relationship and effect of the independent variables on the dependent variable.

The econometric equation with the panel data regression method used in this study is prepared to answer all of the proposed problem formulations. The first problem formulation is whether there is an influence of income, consumption, savings, and the number of ZMO on the *zakat* fund collection. The second problem

formulation is whether there is an effect of each income, consumption, and savings and the number of MZO on *zakat* fund collection in West Java each year. Here is the econometric model of this study:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + e_{it}$$

or

$$ZAKAT_{it} = \alpha + \beta_1 INCO_{1it} + \beta_2 CONS_{2it} + \beta_3 SAVE_{3it} + \beta_4 OPZ_{4it} + e_{it}$$

Where:

Y = *zakat* fund collection

X1 = average income

X2 = average consumption expenditure

X3 = the amount of savings

X4 = number of ZMO in all cities

## RESULTS AND DISCUSSION

Based on the results of the Hausman Test and the Lagrange Multiplier Test, the Random Effect model is the best model for estimating the results of Regression Analysis (shown in Table 1).

**Table 1. Model Determination Test Results**

No.	Test	Result (Prob.)	Conclusion
1.	Chow	0.000	The best model to use is <i>Fixed Effect</i> .
2.	Hausman	0.8981	The best model to use is <i>Random Effect</i> .
3.	Lagrange Multiplier	0.000	The best model to use is <i>Random Effect</i> .

Source: Data processing results

Furthermore, based on the regression results using the Random Effect model, as shown in Table 2, the econometric equation is obtained as follows:

$$ZAKAT_{it} = 4.480.000.000 + 53.46920 INCO_{1it} + 198.2764 CONS_{2it} - 5.239868 SAVE_{3it} + 2.060.000.000 OPZ_{4it}$$

**Table 2. Regression Result of Model Random Effect**

Variable	Coefficient	Std. Error	t-Stat	Prob.
C	4.48E+08	5.49E+08	0.815437	0.4161
X1	53.46920	22.03820	2.426205	0.0165
X2	198.2764	29.47008	6.728056	0.0000
X3	-5.239868	25.12351	-	0.8351
X4	2.06E+08	1.05E+08	1.956690	0.0503
R-squared		0.461526	Mean dependent var	3.61E+08
Adjusted squared	R-	0.446973	S.D dependent var	1.477E+09
S.E of regression	of	1.09E+09	Sum squared resid	1.77E+20
F-statistic		31.71274	Durbin-Watson stat	0.457669
Prob(F-statistic)		0.000000		

Source: Data processing results

The value of each variable from the results of the Random Effect model regression can be interpreted as follows:

- The value of 4,480,000,000 means that without being influenced by any variable under this study, an increase in *zakat* funds is Rp. 4,480,000,000 or 4.5 billion rupiahs
- The value of 53,46920 INCO means that if income increases by one million rupiahs, the *zakat* fund collection will increase positively by 53 million rupiahs
- The value of 198.2764 CONS means that if the consumption expenditure increases by one million rupiahs, the *zakat* fund collection will increase by 198 million rupiahs
- The value of -5.239868 SAVE means that if the saving increases by one billion rupiahs,

the *zakat* fund collection will decline by 5.24 billion rupiahs

- The value of 2,060,000,000 OPZ means that if the number of ZMO in an area increases by one unit, the *zakat* fund collection will increase by 2.06 billion rupiahs.

From the above explanation about the regression results using the Random Effect model, it can be seen that income, consumption, savings, and OPZ aggregately influence *zakat*. Saving is the only variable which has a negative effect on *zakat* as the dependent variable.

Furthermore, to determine the effect of income, consumption, savings, and the amount of ZMO on the *zakat* fund collection, we performed several tests to prove the significance or influence between the independent variable and the dependent variable. They are as follows.

**Table 3. The F-Test (simultaneous) of Random Effect Model**

Model	F-stat	Prob. F-stat
Regression	31.71274	0.00000

Source: Data processing results

The results of the F-Test (shown in Table 3) indicate that the value of Prob. F-stat is 0.0000, which is less than the significance level of 0.05. It means that simultaneously, the four independent variables, namely income, consumption, savings, and the number of ZMO have a significant effect on the dependent variable.

**Table 4. The T-Test (partial) of the Random Effect Model**

Variable	Coefficient	Prob.
INCO (X1)	53.46920	0.0165
CONS (X2)	198.2764	0.0000
SAVE (X3)	-5.239868	0.8351
OPZ (X4)	2.06E+08	0.0503

Source: Data processing results

Based on the results of the t-test, shown in Table 4, we found that there are three independent variables that have the Prob. values below 0.05. It means those three variables, namely, income, consumption, and the number of ZMO, significantly influence the *zakat* fund collection.

Additionally, from the determination coefficient (shown in Table 5), we found that income, consumption, savings, and the number of ZMO simultaneously affect the *zakat* fund collection by 46%. Other factors outside this study influence the rest of the *zakat* fund collection.

**Table 5. Results of the Determination Coefficient of the Random Effect Model**

Model	R-squared	Adjusted R-squared
Regression	0.461526	0.446973

Source: Data processing results

Based on the Random Effect model regarding the effect of income, consumption, savings, and the number of ZMO on the *zakat* fund collection in all cities in West Java in 2001 - 2017, we can conclude that the income and consumption of the average community positively and significantly affect the *zakat* fund collection if the income and consumption

increase, the *zakat* fund collection will also increase.

Increasing consumption affects the increasing *zakat* collected. It means that the greater the consumption is, the larger the amount of income incurred by the obligatory *zakat*. In other words, *zakat* can be considered as part of the consumption itself. This is because paying *zakat* is part of the primary worship, which also fulfills the spiritual needs of the payer. It can be understood why the increase in the level of savings does not have a significant effect. This effect on *zakat* fund collection is also negative, different from the other three variables under this study. There are many *zakat* payers who still do not realize their obligation for paying *zakat*, and saving itself is one of the objects of *zakat* (Azman & Bidin, 2015).

The growth in the number of ZMO also positively have big affects the *zakat* fund collection. In addition to collecting *zakat*, ZMOs distribute it used s for cost financing for business capital, investment, and community consumption, which ultimately encourages economic growth (Suprayitno, 2018).

The enormous potential of *zakat* cannot be maximized yet. It is necessary to start looking for other ways to increase the collection of *zakat* funds. Regulators can set a salary deduction policy of 2.5% per month or create a particular *zakat* account, which will be taken annually by formal *zakat* institutions collaborating with

particular companies. The increase in income has proven to affect the *zakat* fund collection.

The ZMOs in all cities of West Java can also be made effective by increasing public interest and knowledge about them through the Community Based Development and the synergy between the poverty alleviation program by the local government with the poor society empowerment program by ZMOs (Hayati & Caniago, 2012). ZMOs can also collaborate with companies in collecting *zakat* funds from their employees.

Public consumption behavior can also be exploited by ZMOs by offering their *zakat* products that will benefit the *mustahiq*. Thus, *zakat* will be perceived as the needed instrument, not merely the religious obligation.

Moreover, ZMOs can now more easily reach their market by utilizing technology or fintech. The use of technology is essential because it will build trust in ZMOs. People will have the opportunity to track and monitor the process of collection and disbursement of *zakat*. Furthermore, annual reports explain details and show where and how *zakat* was spent (Migdad, 2019).

The parties participating in maximizing *zakat* potential are not only the ZMOs, but also the regulators, namely the government bodies (the Ministry of Religion and BAZNAS). The public must also learn about how to pay *zakat* through ZMOs and find official *zakat* institutions

nearby since *zakat* is an obligation for every Muslim, both *zakat al-maal* and *zakat al-fitr*.

## CONCLUSION

This research found that collectively, income, saving, consumption, and numbers of ZMO affect *zakat* collection in West Java. The most influential factor in maximizing *zakat* potential is the existence of ZMOs. There are still negative perceptions of how ZMOs in managing *zakat*. However, public trust gradually increases due to the application of information technology by the ZMOs. It makes the *zakat* management by ZMOs more transparent and more comfortable to monitor by the public.

The next factor is that the increase in consumption increases the potential for *zakat* collection. *Zakat* is distributed for stimulating consumption. Thus, *zakat* becomes part of the consumption offered by ZMOs to *mustahiq*. Furthermore, we conclude that the increase in income will also increase the potential for *zakat* collection, while saving is not a factor that encourages *zakat* collection.

## REFERENCES

- Aziz, M.R.A.B. & Anim, N.A.H.M. (2020). Trust Towards *Zakat* Institutions Among Muslims Business Owners. *Jurnal Ekonomi & Keuangan Islam*, 6(1), 1-9.
- Azman, F.M.N & Bidin, Z. (2015). Factors Influencing *Zakat* Compliance Behavior on Saving. *International Journal of Business and Social Research*, 5(1).
- Daulay. AH & Lubis. I. (2015) Analisis Faktor-Faktor Penyebab Keengganan Masyarakat Membayar *Zakat* Melalui Instansi BAZIS/LAZ di Kota Medan. *Jurnal Ekonomi dan Keuangan*, 3(4).
- BAZNAS. (2018). *Statistik Zakat Nasional 2017*. Baznas. Bagian Liaison dan Pelaporan.
- BAZNAS. (2019). *Pengaruh Zakat Terhadap Perekonomian Makro Indonesia*. Pusat Kajian Strategis Badan Amil Zakat Nasional (BAZNAS) Republik Indonesia. No.23/ON/12/2019, 2 Desember 2019.
- BPS. (2018). *Provinsi Jawa Barat Dalam Angka*. BPS Provinsi Jawa Barat, 721. <https://doi.org/32560.1802>.
- Canggih, C., Fikriyah, K., & Yasin, A. (2017). Potensi Dan Realisasi Dana *Zakat* Indonesia. *Al-Uqud : Journal of Islamic Economics*, 1(1), 14. <https://doi.org/10.26740/jie.v1n1.p14-26>.
- Fitriyah, I. (2017). Faktor-Faktor Yang Mempengaruhi Pembayaran *Zakat*, Studi Kasus Masyarakat Sekitar Majelis Dzikir Wa Ta'lim Mihrobul Muhibbin. *Skripsi*. Jurusan Ekonomi Syariah Fakultas Ekonomi Dan Bisnis, Uin Syarif Hidayatullah Jakarta.
- Hakim, I. (2016). Diversifikasi Penghasilan Kontemporer Sebagai Alternatif Sumber Dana *Zakat*. *Falah: Jurnal Ekonomi Syariah*. ISSN 2502-7824. Vol 1 No 1, 103–112. DOI: 10.22219/jes.v1i1.2701.
- Senadjki, A., Nacheff, T. & Rusli, N. (2015). The Impact of *Zakat* on Income Inequality and Poverty in Malaysia: A Panel Data Analysis. *Market Forces; College of Management Sciences*. ISSN ISSN: 2309-866X, 10 (1).
- Hayati, K. & Caniago, I. (2012). Model Of Poor Society Empowerment Through Optimizing The Potential Of *Zakat*: A Case Study in Lampung Province. *Journal of Indonesian Economy and Business*. 27 (2), 174 – 191.
- Kuncoro, M. (2011). *Metode Kuantitatif*. Yogyakarta: Sekolah Tinggi Ilmu Manajemen: YKPN.
- Kusmanto, A. (2014). Peran Lembaga Amil *Zakat* Nasional Dalam Penghimpunan Dana *Zakat*, Infaq, dan Shodaqoh. *Pandecta: Research Law Journal*. 9(2), 292. <https://doi.org/10.15294/pandecta.v9i2.3581>.
- Manurung, S. (2013). Islamic Religiosity And Development Of *Zakat* Institution. *Qijis; Qudus International Journal of Islamic Studies*. Volume Number 2 | July-December 2013.
- Migdad, A. (2019). Managing *Zakat* through Institutions: Case of Malaysia. *International Journal of Islamic Economics and Finance Studies*, 2019/3: 28-44. DOI: 10.25272/ijisef.519228.



- Mubarak, A., & Fanani, B. (2014). Penghimpunan Dana Zakat Nasional (Potensi, Realisasi dan Peran Organisasi Pengelola Zakat). *PERMANA*. 5(2) Februari 2014. 7–16.
- MUI. (2003). Fatwa MUI No 3 Tahun 2003: *Zakat* Penghasilan.
- Nachrowi, N., & Usman, H. (2006). *Pendekatan Populer dan Praktis Ekonometrika untuk Analisis Ekonomi dan Keuangan*. Jakarta: Lembaga Penerbit FE UI.
- Noviarita, H. (2015). Telaah Kritis Zakat Dalam Perspektif Makro Ekonomi. *1-25 Academia Edu*. Retrieved from [https://www.academia.edu/37688887/TELAAH\\_KRITIS\\_ZAKAT\\_DALAM\\_PERSPEKTIF\\_MAKRO\\_EKONOMI](https://www.academia.edu/37688887/TELAAH_KRITIS_ZAKAT_DALAM_PERSPEKTIF_MAKRO_EKONOMI) Heni Noviarita.
- Nurulliah, N. (2017). Potensi Zakat di Jawa Barat Mencapai Triliunan Rupiah. *PikiranRakyat.com*. Retrieved from <https://www.pikiran-rakyat.com/jawa-barat/pr-01281514/potensi-zakat-di-jawa-barat-mencapai-triliunan-rupiah-403106>.
- Pangestika, S. (2015). Analisis estimasi model regresi data panel dengan pendekatan common effect model (cem), fixed effect model (fem), dan random effect model (rem). *Skripsi*. Jurusan Matematika Fakultas Matematika Dan Ilmu Pengetahuan Alam. Universitas Negeri Semarang.
- Persaulian, B., Aimon;, H., & Anis, A. (2013). ANALISIS KONSUMSI MASYARAKAT DI INDONESIA. *Jurnal Kajian Ekonomi*, 1(2), 1(02), 1–23. Retrieved from <https://media.neliti.com/media/publications/7109-ID-analisis-konsumsi-masyarakat-di-indonesia.pdf>.
- Saubani, A. (2018). Kemenag: Potensi Zakat Nasional Capai Rp 217 Triliun. *Republika.co.id*. Retrieved from <https://www.republika.co.id/berita/dunia-islam/islam-nusantara/18/02/23/p4m1gs409-kemenag-potensi-zakat-nasional-capai-rp-217-triliun>.
- Sugiyono. (2018). *Metode Penelitian Kuantitatif, kualitatif dan R&D*. Bandung: Alfabeta.
- Suprayitno, E. (2018). Zakat and SDGs : The Impact of Zakat on Economic Growth, Consumption and Investment in Malaysia. *Advances in Economics, Business and Management Research*, volume 101. 1st International Conference on Islamic Economics and Business (ICONIES 2018).
- Widarjono, A. (2007). *Ekonometrika Teori dan Aplikasi untuk Ekonomi dan Bisnis*. Yogyakarta: FE UII.

## Author Guidelines

### PLEASE READ CAREFULLY!

JBM (Jurnal Bisnis dan Manajemen) only accepts manuscripts that meet JBM's scope, format, and style. The journal **ONLY** accepts the manuscripts through the OJS (Open Journal System) platform: <http://journal.feb.unpad.ac.id/index.php/jbm>. Any manuscript written in different format will NOT be reviewed. The curriculum vitae should be emailed to: [jbm@fe.unpad.ac.id](mailto:jbm@fe.unpad.ac.id).

### FORMAT

1. All manuscripts should be written in English either American or British style (must be consistent)
2. All manuscripts should be typed on double side of good quality A4 paper and be 1.5 spaced, except for indented direct quotations.
3. All the manuscripts have to be made briefly according to research subject and methods, usually between 15 pages with 1.5-spaced, including figures, methods and references.
4. Margins (left, right, top and bottom) should be at least 1.27 cm, font Times New Roman size 12, except the title. To assure blind review, authors should not identify themselves directly or indirectly in their paper.
5. Systematic report typically includes the following sections (without number):
  - Title page
  - Author's name, institution, address of institution and email of correspondences.
  - Abstract
  - Introduction
  - Literature Review
  - Methods
  - Results and Discussion
  - Conclusion
  - References
6. Please recheck the appropriate spelling and vocabularies.
7. All pages, including tables, appendices and references, should be serially numbered.
8. *Percentage and Decimal Fraction*, for non-technical purpose uses percent in text: for technical purpose uses % symbol.
9. *Keywords*, four key words should be provided at the end of the abstract so that they would be easier to locate in the index.

### ABSTRACT

An *abstract*, which 150-250 words lengths, should be presented on separate page immediately preceding the text of the manuscript. An abstract should be relatively non-mathematical and provides the detail about the paper's purposes, research methods and findings as well as its contributions. The manuscript's title, but neither the author's name nor his/her affiliation, should appear on the abstract page.

## TABLES AND FIGURES

1. Authors should pay attention about: All tables and figures (graphs) should be put on pages by themselves. Each table or figure should be numerically numbered and fully titled which refers to the contain of tables or figures.
2. References for each graph should be mentioned in manuscript without any exception.
3. Authors should point out with notation about which margin that graphic should be included on a text.
4. Graphs should be easily interpreted without referring to the text.
5. Lines that refer to sources and notes should be included on the text. Equations should be numerically numbered in parenthesis with align right margin.

## DOCUMENTATIONS

Text citation, manuscripts should be cited in an “authors-year system” which refer to manuscript on a bibliography. JBM uses **APA Styles** in citing references in the text. When you use information from another source, cite that source in the text so that readers can easily find the full citation in the References. Either make the citation part of the sentence, or insert it, within parentheses, after the author or their work is mentioned.

### First time cited

#### ***One author:***

- Andoyo (1990) reviewed research on negotiation and found that it spans many disciplines.
- A recent study of the effects of caffeine on concentration (Andoyo, 1990) used only male subjects.
- Negotiation research spans many disciplines (Thompson, 1990).

**Note:** When citing multiple references, list them in alphabetical order by the first author. Multiple references by the same author are listed in order by date, as below:

This effect has been widely studied (Abbott, 1991, 1994; Kelso, 1998; Martini, 1992).

#### ***Two to five authors:***

- Becker and Seligman's (1996) findings contradicted this result.
- This result was later contradicted (Becker & Seligman, 1996).
- Medvec, Madey, and Gilovich (1995) examined the influence of "what might have been" thoughts on satisfaction among a group of Olympic medalists.
- Research on Olympic medalists has shown that bronze medalists are more satisfied than silver medalists (Medvec, Madey, & Gilovich, 1995; Zimm & Abbott, 1992).

**Note:** Use an ampersand ('&') between two authors' names when the citation occurs within parentheses, and use the word 'and' when it occurs in the sentence. For articles by multiple authors, cite the names in the order given on the title page.

### ***Six or more authors:***

Cite only the last name of the first author, followed by "et al." and the year of publication.

- Barakat et al. (1995) attempted to ...

### **Citing the same article in subsequent paragraphs**

***One or two authors:*** Use the same format as for the first citation.

***Three or more authors:*** Include only the first author's last name followed by "et al." and the year of publication:

- Medvec et al. (1995) examined the influence of "what might have been" thoughts on satisfaction among Olympic medalists
- Research on satisfaction among Olympic medalists has shown that bronze medalists are more satisfied than silver medalists (Medvec et al., 1995).

### **Quotes**

If you must quote, however, use the author's exact words and include the page number in the citation:

- "Our difficulty in regard to sexual selection lies in understanding how it is that the males which conquer other males . . . leave a greater number of offspring to inherit their superiority than their beaten and less attractive rivals" (Darwin, 1874, p. 209).
- Quotation that refers to institutional work should use acronym or abbreviation; example: (Komite SAK-IAI, PSAK28, 1997)

### **Citing Secondary Sources**

If the primary source is not available, but you still want to refer to it, then give both the primary and secondary citations in the text, but cite only the secondary source in the References.

- Nguyen and Lee (as cited in Becker & Seligman, 1996) found the opposite effect in children.
- An opposite effect was found in infants (Nguyen & Lee, as cited in Becker & Seligman, 1996).

**Note:** For either example, list only Becker and Seligman (the source that you read) in the References.

## **REFERENCES**

JBM is using APA Style. JBM recommends **Mendeley** software for reference management, but other software such as **Zotero** and **EndNote** can also be used. Each manuscript should include references which contain referred manuscripts. Each entry should contain all the required data. Number of references that used at least 80% are journal from the total references.

**Key Style Rules for Journal Article References** (see also *APA Publication Manual, 6th edition, pp. 169-224*)

- Center the header References. If you have only one source, then use the singular ("Reference").
- Use a hanging indent: Do not indent the first line of each reference, and do indent all following lines.
- Put each author's last name first. Use only initials for first and middle names.
- List multiple authors of a single reference in the same order they are given in the article. Sequence matters! The order of authors reflects the relative contribution of each person.
- List references in alphabetical order according to the last name of the first author.
- In the title of an article, book, or chapter, capitalize only the first letter of the first word, the first letter of a word after a colon, and any proper nouns. (Notice the difference in the next rule.) In the title of a journal, capitalize the first letter of each major word.
- Italicize the title and volume number of the journal.
- Include the issue number of the journal volume only if pages are not numbered consecutively throughout the volume
- Don't write the abbreviations "Vol.", "No.", or "pp.". Just write the numbers.
- Put periods after the date of publication, after the article's title, and at the end of the reference.
- Digital object identifier (DOI): when published, many journal articles are assigned a unique string of numbers, a DOI, that serves to direct readers to the online article, regardless of where it is stored. This number is generally on the first page of the article, and should be included at the end of the citation, after the page numbers.
- Uniform resource locators (URLs): when no DOI is provided, but the article was retrieved from the web, provide the home page URL of the journal or of the book or report publisher. List this in the citation after the page numbers: "Retrieved from: <http://www.xxxxx>"

### **Common Citation Formats in Reference according to APA Style:**

#### ***Journal article by one author:***

Thompson, L. (1990). Negotiation behavior and outcomes: Empirical evidence and theoretical issues. *Psychological Bulletin*, 108, 515-332. doi:10.1048/9385-0920.58.2.193

#### ***Journal article by two authors:***

Loesche, L. S., & Tsai, S. D. (1998). More organization, less espresso: Effects of caffeine on manuscript length. *Human Behaviour*, 5, 1-43. Retrieved from <http://journals.elsevierhealth.com/periodicals/ens>

#### ***Journal article, three to seven authors:***

Saywitz, K. J., Mannarino, A. P., Berliner, L., & Cohen, J. A. (2000). Treatment for sexually abused children and adolescents. *American Psychologist*, 55, 1040-1049. doi:10.5497/4578-2587.456.2.548

#### ***Journal article, more than seven authors:***

Wolchik, S. A., West, S. G., Sandler, I. N., Tein, J., Coatsworth, D., Lengua, L., . . . Griffin, W. A. (2000). An experimental evaluation of theory-based mother and mother-child programs for children of

divorce. *Journal of Consulting and Clinical Psychology*, 68, 843-856. Retrieved from <http://www.apa.org/journals/ccp.html>

**Book chapter (electronic version):**

Booth, D. A. (1980). Conditioned reactions in motivation. In F. M. Toates & T. R. Hall (Eds.), *Analysis of motivational processes* (pp. 77-102). New York: Academic Press. Retrieved from <http://www.ebookstore.tandf.co.uk/html/index.asp>

**Note:** See APA manual (6th ed.), pages 202-205, for more versions of electronic book sources.

**Book (print version):**

Toates, F. M. & Hall, T. R. (Eds.). (1980). *Analysis of motivational processes*. New York: Academic Press.

**Note:** If more than one city is given for the publisher of a book, name the most convenient city for finding the book (e.g., if Academic Press is published in New York and London, list only New York for an American audience or only London for a European audience).

**Newspaper Article**

Parker-Pope, T. (2008, May 6). Psychiatry handbook linked to drug industry. *The New York Times*. Retrieved from <http://well.blogs.nytimes.com>

**Abstract**

If you only cite an abstract but the full text of the article is also available, cite the online abstract as any other online citations, adding "[Abstract]" after the article or source name. However, if the full text is not available, you may use an abstract that is available through an abstracts database as a secondary source.

Paterson, P. (2008). How well do young offenders with Asperger Syndrome cope in custody?: Two prison case studies [Abstract]. *British Journal of Learning Disabilities*, 36(1), 54-58.

**Data Sets**

Point readers to raw data by providing a Web address (use "Retrieved from") or a general place that houses data sets on the site (use "Available from").

United States Department of Housing and Urban Development. (2008). *Indiana income limits* [Data file]. Retrieved from [http://www.huduser.org/Datasets/IL/IL08/in\\_fy2008.pdf](http://www.huduser.org/Datasets/IL/IL08/in_fy2008.pdf)

**Graphic Data (e.g. Interactive Maps and Other Graphic Representations of Data)**

Give the name of the researching organization followed by the date. In brackets, provide a brief explanation of what type of data is there and in what form it appears. Finally, provide the project name and retrieval information.

Solar Radiation and Climate Experiment. (2007). [Graph illustration the SORCE Spectral Plot May 8, 2008]. *Solar Spectral Data Access from the SIM, SOLSTICE, and XPS Instruments*. Retrieved from [http://lasp.colorado.edu/cgi-bin/ion-p? page=input\\_data\\_for\\_ spectra.ion](http://lasp.colorado.edu/cgi-bin/ion-p? page=input_data_for_ spectra.ion)

### **Qualitative Data and Online Interviews**

If an interview is not retrievable in audio or print form, cite the interview only in the text (not in the reference list) and provide the month, day, and year in the text. If an audio file or transcript is available online, use the following model, specifying the medium in brackets (e.g. [Interview transcript, Interview audio file]):

Butler, C. (Interviewer) & Stevenson, R. (Interviewee). (1999). *Oral History 2* [Interview transcript]. Retrieved from Johnson Space Center Oral Histories Project Web site: [http://www11.jsc.nasa.gov/history/oral\\_histories/oral\\_histories.htm](http://www11.jsc.nasa.gov/history/oral_histories/oral_histories.htm)

### **Foot note**

Foot note cannot be used as a reference. Footnote should be used only for information broadening that may distract reading continuity if included in a text. Footnote should be typed single-spaced and numerically numbered with an Arabic superscript numeric. Footnote should be placed at the end of the text.

## FORMULIR PEMESANAN JURNAL BISNIS DAN MANAJEMEN

Sifat Pemesanan : Individual / Institusi (coret yang tidak perlu)

### Data Pemesan Individu

Nama :

Nomor Telepon / HP :

E-mail :

Alamat Lengkap :

### Data Pemesan Institusi

Nama Institusi :

Alamat Lengkap :

Nomor Telepon :

Contact Person & Hp :

### Data Pemesanan

No	Volume	Edisi	Jumlah Eksemplar
1			
2			
3			
4			
5			
6			
7			

..... 20..

(.....)

\*Catatan: Formulir silakan dikirimkan ke [jbm@fe.unpad.ac.id](mailto:jbm@fe.unpad.ac.id)



**Alamat Editorial**  
Jl. Cimandiri No.8 Bandung 40115 Telp/Fax (022) 4239954  
E-mail 1: jbm@fe.unpad.ac.id Email 2: jbm.unpad@yahoo.co.id



9 772442 461008