CHAPTER I

INTRODUCTION

1.1 Research Background

Online media in Indonesia continues to grow. To date, online media has reached 43.000 units. This fact is in line with the number of internet users in early 2021, got 202,6 million people. This number increased by 15,5% or 27 million people compared to January 2020. The total population of Indonesia itself is currently 274,9 million people. It means that internet penetration in Indonesia in early 2021 will reach 73,7%. It was contained in a recent report released by content management service HootSuite, and social media marketing agency We Are Social in a report titled "Digital 2021" (Riyanto, 2021). In 2019 that reached about 185 million people. This figure is expected to grow to more than 256 million by 2025. Indonesia is one of the most significant internet users globally, with approximately 185 million users. Largest online marketplaces in the world. In July 2020, online penetration in Indonesia reached more than 68%. Popular online activities include mobile messaging and social media. At the same time, the most popular social network is Facebook, with 82%. Mobile internet use is experiencing a double-digit

growth rate and currently stands above 61% among the population. The large market share in Indonesia does not necessarily make online media companies can do business easily. After several mass media outlets chose to allow platform providers access to content and publish it, competition became more competitive. Collaborating with such platform providers is inseparable from their internet users.

Facebook reported having 2,7 billion monthly active users in the quarter ended June 2020. This figure increases by 12% from the year before. When combined with Facebook, Instagram, and WhatsApp apps, Facebook Group has more than 3 billion active users. It is the first time the company has had many monthly active users (Roy, 2020). When the covid-19 pandemic hit the world, in its fourth-quarter 2020 financial report, Facebook explained that about 1,84 billion users access Facebook every day. The number of daily active users has climbed 11 % compared to the same period in 2019. In the first quarter of 2019, active users of Facebook as many as 2,38 billion out of the world's 4.3 billion internet users. In contrast, Google reached about 1,7 billion. These two platform providers certainly make both mass locations in the digital universe.

Online media flocked to put content on social media platforms, such as Facebook, Twitter, and Instagram. Hopefully, more traffic goes into their online

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media. The considerable expectation of this online media is also taken seriously by Facebook and Google. Through paid news advertising products, Facebook and Google become part of the circulation of online media content. The importance of Facebook and other social media sites cannot be overstated. Instagram, Twitter, and then Google is known as a digital intermediary. They become digital intermediaries for online media news content. That means internet users currently get news content through google search engines and social media rather than accessing it directly to news sites. It happens in TribunKaltim online media. TribunKaltim is a medium resulting from tribun Kaltim's convergence strategy in 2017.

So far, to get visitors, TribunKaltim.co on traffic sources from six channels, namely direct traffic, referral traffic, search traffic, social traffic, email, and other traffic. This direct traffic is a visit from people who type the website address directly in the browser because they already know the domain name. This direct traffic signifies visits from loyal visitors and memorable domain name branding. At the same time, referral traffic is a visit from a visitor who clicks on a link on another website. At the same time, social traffic is a visit from visitors from social media, such as Facebook, Twitter, Blogspot, WordPress, Instagram, and the like.

Then there's another called search traffic. Visitors who click on search results on sites like Google, Yahoo!, or Bing generate search traffic. Organic and paid search traffic are the two types of search traffic; organic search results from unpaid searches. At the same time, the Paid search comes from the advertising program Pay Per Click (PPC), for example, Google AdWords. Generally, digital marketing strategy targets traffic from organic search because there is no need to pay to get search traffic. In addition to the above *traffic sources* that are generally certain to exist on every website, there are several other traffic sources, namely display, email, and other traffic. Collections are derived from banners installed on other websites. In contrast, email traffic comes from marketing activities.

In contrast, other traffic can come from other websites or aggregators. Data was collected from TribunKaltim financial statements. TribunKaltim online media provides a considerable injection of funds from the traffic. Since 2017, TribunKaltim recorded online advertising revenue of Rp 850.000. This number continued to grow in 2018. Revenue generated in 2018 amounted to Rp 406 million. In 2019, TribunKaltim online payment continued to grow. In 2019, online revenue amounted to Rp 3,6 billion.

Table 1.1 Revenue print and online Tribun Kaltim

	Print	*Online*
2017	Rp 32 billion	Rp 850 thousand
2018	Rp 27 billion	Rp 406 million
2019	Rp 25 billion	Rp 3,6 billion
2020	Rp 27,7 billion	Rp 5,2 billion

Source: Tribun Kaltim Finance (2021)

In 2020, TribunKaltim online revenue reached Rp 5,2 billion. As for print revenue, TribunKaltim has experienced a decrease in revenue since 2018. In 2017, TribunKaltim scored Rp 32 billion in revenue. This figure shrank to Rp 27 billion in 2018. In 2019, Tribun Kaltim revenue-again slumped to Rp 25 billion. In 2020, Tribun Kaltim increased print revenue by Rp 27,7 billion. The existence of online media Tribun Kaltim shows the decline in print revenue since 2017 can be patched from the growth of online media revenue. Jakarta's online income derived from programmatic sales and local advertising from direct sales contributed to online media revenue growth.

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Programmatic sales revenue growth is inseparable from the increase in traffic generated by Tribun Kaltim since 2017. Pageviews generated in 2020 jumped 54% or 369.049.155 users. Google Analytics data shows a percentage increase in views in 2020 from direct traffic. While from organic search and referral gradually decreased by a percentage. It was different in 2019 before. Traffic contribution is precisely controlled from organic search, direct traffic, and referral traffic (See Google Analytic image).
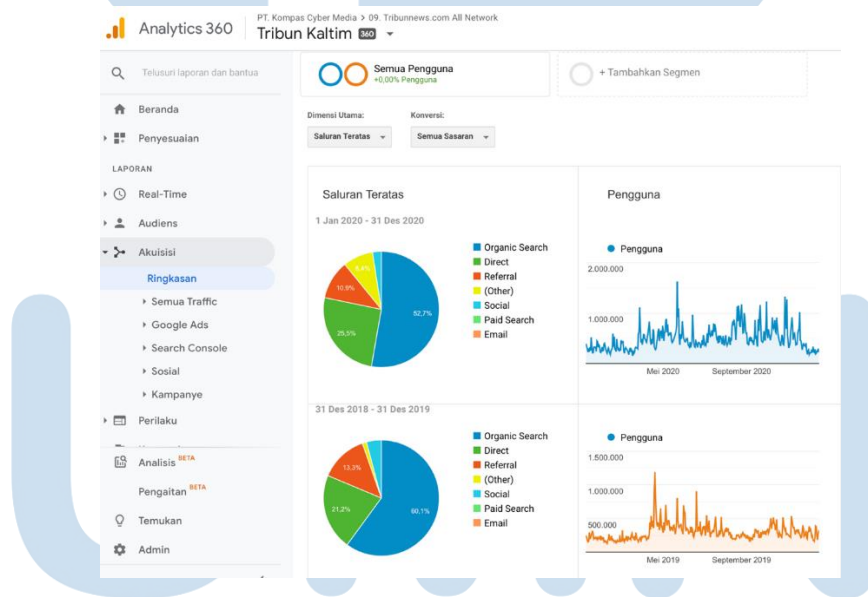

Figure 1.1 Session data Tribun Kaltim

Source: Google Analytic Tribun Kaltim.co (2021)

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The increase in the percentage of direct traffic Tribun Kaltim in 2020 is expected to start from the increase in readers who originally came from organic search. Readers who initially knew the content of Tribun Kaltim from organic search then switched to the Tribun Kaltim website if they wanted to know the following owing content. But on the other hand, Tribun Kaltim readers do not support social media, either from Facebook, Twitter, Youtube, or Instagram. The problem in Tribun Kaltim is that the visitation rate decreased dramatically from the beginning of January 2021 to April 2021. The contribution of digital intermediaries to visitors runs fluctuating. Google Analytics data shows a decline in page views since 2021. The number of visitors rs Tribun Kaltim decreased by 38% from the beginning of 2021 to April 2021. Tribun Kaltim has as many as 50.503.656 visitors compared to the previous year.

Meanwhile, from January 2021 to April 2021, the number of sessions Tribun Kaltim by 31.314.417 views. Organic search saw a 19,8% drop in visits, from 15.696.532 to 12.589.340 views, followed by another drop of 34,09 %, from 13.141.358 to 8.661.220 views. Then the decrease also occurred in referrals as much as 74,01% or from 4.988.799 to 1.296.809 views. The decline in visitors also occurred on social media. From the original visitor, as many as 1.266.574

views decreased 63,09%, equivalent to 467.520 views. The decrease in visitors

occurred directly from the initial 15.410.020 to 8.299.509 views or 46,14%.

Table 1.2 Visitor Tribun Kaltim 2021 versus 2020

	2017	2018	2019	2020	2017 vs 2020
Organic Search	8.265.213 (30,17%)	30.880.073 (46,94%)	55.632.047 (47,36%)	80.174.867 (40,72%)	970%
Direct	7.036.735 (25,68%)	17.519.563 (26,63%)	35.415.352 (30,15%)	51.830.199 (26,33%)	736%
Referral	3.317.798 (12,11%)	10.778.772 (16,38%)	19.712.262 (16,78%)	19.935.467 (10,13%)	600%
Other	4.012.880 (14,65%)	2.778.474 (4,22%)	1.777.202 (1,51%)	41.177.365 (20,92%)	1026%
Social	4.765.355 (17,39%)	3.833.932 (5,83%)	4.937.369 (4,20%)	3.750.735 (1,91%)	79%

Source: Google Analytic Tribun Kaltim.co (2021)

Google's data shows that readers of Tribun Kaltim are disloyal. Consumer

loyalty is considered vital because it positively affects long-term profitability.

According to Reichheld and colleagues, the high cost of acquiring a new e-customer

can lead to unfavorable customer relationships for up to three years (Reichheld F.

F. & P., 2000). That means it's essential for online companies to create a loyal

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customer base and monitor the profitability of each segment (Reinartz et al., 2002).

Hellier and colleagues call customer loyalty is a level of satisfaction felt by

consumers in a company because the company can meet the expectations and

desires of consumers to the services provided (Hellier et al., 2003). Meanwhile,

Bowen and Chen (2015) suggest that loyal customers will make more transactions

and often visit to get the best deals than disloyal consumers

According to Mindy Jeon, Myung hee, and Jeong (2017), e-loyalty is

defined as a consumer's behavior that benefits online vendors by causing them to

purchase the same product again. Melinda (2017) says e-loyalty is a customer's

inclination to return to a website and contemplate buying a product or service from

it in the future. Santika and Pramudana (2018) say e-loyalty is a positive behavior

of a customer toward an online business that results in the repurchase of the goods.

e-Trust refers to how well company players can persuade customers to believe in

what they have to offer (Choi & Mai, 2018). According to Zhu et al. (2016), E-trust

is the customer's level of trust or certainty when conducting online transactions. E-

trust is consumer trust in online commerce (Bulut, 2015). E-Trust is the beginning

of building and maintaining a relationship between customers and online sellers.

Customers will believe that the business is trustworthy if the information offered

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by online vendors is clear, accurate, and thorough (Giovanis & Athanasopoulou, 2014).

Rasmansyah (2017) defines satisfaction as satisfaction or disappointment after comparing the product's appearance with the expected value. Customer satisfaction results from the consumer experience after using a service where the service or service exceeds consumer expectations (Dawi et al., 2018). Suchánek & Králová (2018) define customer satisfaction as a subjective variable that arises from perception and comparison between consumer expectations and what consumers get that can be seen from their feelings.

In contrast, the service quality dimension serves as a cue for the characteristics of the service provider. As a result, e-trust is founded on the site's consistent quality and the management of all quality dimensions that necessitate the website's security, responsiveness, and technical performance. It is imperative to shape customer satisfaction and customer loyal Five variables affect e-trust and e-satisfaction. The five variables are social commerce component fulfillment, security or privacy, customers service, and website design. E-trust acts as a mediator between reputation and e-loyalty. E-trusts and e-satisfaction were found to affect e-loyalty in parallel or sequentially (Al-Adwan et al., 2019). Al Adwan examines the

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role of reputation in the process of developing e-loyalty. This study explores the indirect effect of importance on e-loyalty through e-trust. Customers prefer to trust e-retailers with a good reputation over those with a bad reputation because unpredictable behavior is highly perceived as forbidden by e-retailers with a good reputation.

Customer service, according to Lovelok, is defined as activities aimed at a task that includes interactions between clients and the organization and seeks mutual satisfaction of both parties' expectations, so it must be designed with two goals in mind: customer satisfaction and operational efficiency (Álvarez-García et al., 2019). Customer service has long been considered an essential factor when people shop online (Ahmad et al., 2016; Ahmad et al., 2017). Fulfillment refers to effectively exhibiting and characterizing a product so that customers receive what they expect (Wolfinbarger & Gilly, 2003). Fulfillment can be defined as providing services to clients in compliance with promises (Parasuraman et al., 2005). Security/privacy according to Tewari & Gupta (2017), security/privacy refers to the security of credit card payments and the privacy of supplies. The degree of belief and trust in a web channel to send sensitive information is security. Security failures were a significant barrier to consumers accessing sensitive information on the

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internet. Security breaches were also applicable to the mobile channel, significantly impacting mobile adoption rates (Tewari & Gupta, 2017). The concepts of privacy and security are intertwined. Security refers to a company's ability to protect critical information about its customers from fraud and financial loss. Website quality is defined as a website's overall excellence or efficacy in delivering intended messages to its audience and viewers (Ali, 2016). Website design encompasses all aspects of the user's interaction with the website, excluding customer support. Order processing, information retrieval, product selection, negotiation, and suitable personalization are some components (Wolfinbarger & Gilly, 2003). Social commerce is a type of business mediated by social media and involves merging online and offline environments (C. Wang & Zhang, 2012). The combination of e-commerce and social media to facilitate the sale of items or services via the internet is social commerce. Social commerce is a new business model born out of the evolution of social networking and e-commerce that promotes product sales and impacts consumers' purchasing behavior through an established network of social media and social networking sites (Sharma & Crossler, 2014).

1.2 Problem Formulation

Readers TribunKaltim.co is disloyal following the decline of the Tribun Kaltim pageview from January 2021 to April 2021. The lack of readership makes tribun Kaltim revenue decrease drastically because Tribun Kaltim revenue is also contributed from the achievement of programmatic pageviews.

1.3 Research Question

Based on the phenomenon that has been described above, the researchers want to know the factors that shape reader loyalty in online media from social commerces and security/privacy, fulfillment or reliability, customers service, website design, e-trust, and e-satisfaction. Different from research J. Kim et al. (2009) dan Al-Adwan et al. (2019) this study wants to test e-loyalty without including responsiveness and reputation. Referring to the formulation of the problem that occurred, the research question is described as follows:

1.   Is e-trust have a positive impact on e-loyalty?

2.   Is e-satisfaction have a positive effect on e-loyalty?

3.   Is e-trust have a positive impact on e-satisfaction?

4.   Is website design has a positive effect on e-satisfaction?

5.   Is social commerce has a positive impact on e-trust?

6.   Is fulfillment has a positive effect on e-trusts?

7.   Is fulfillment has a positive effect on e-satisfaction?

8.   Is security/privacy has a positive impact on e-trust?

9.   Is security/privacy has a positive impact on e-satisfaction?

10. Is customer service has a positive impact on e-trust?

11. Is customer service has a positive impact on e-satisfaction?

1.4 Research Objectives

Based on the formulation of the problems and research questions mentioned
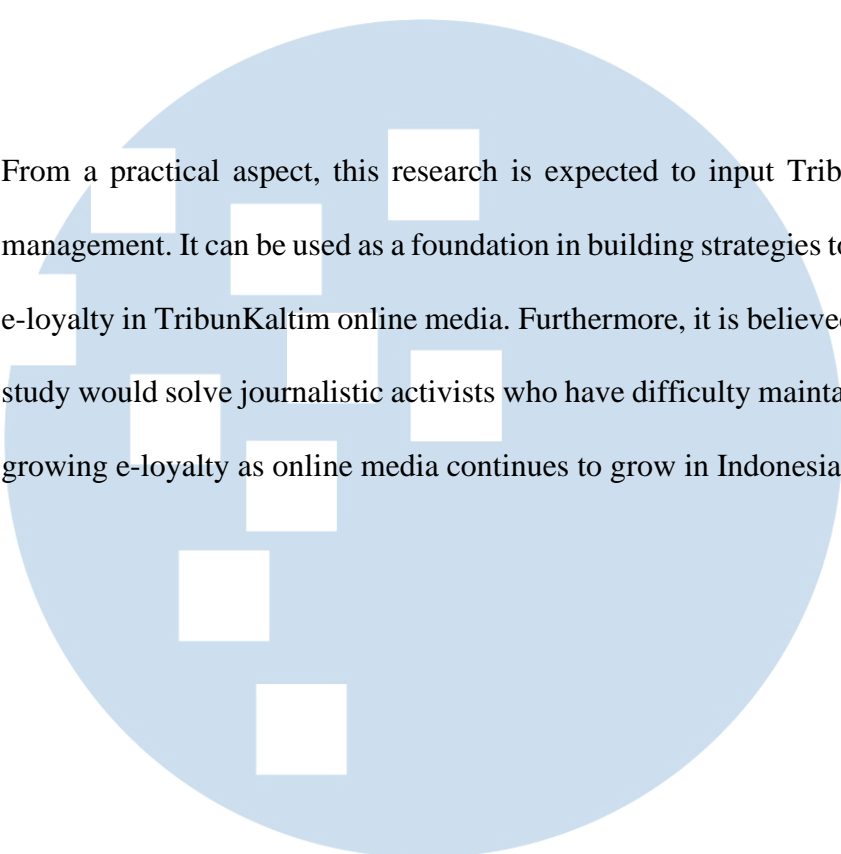
above, the purpose of the research is:

1.   To know the effect of e-trust on e-loyalty

2.   To know the effect of e-satisfaction on e-loyalty

3.   To know the effect of e-trust on e-satisfaction

4.   To know the effect of website design on e-satisfaction

5.   To know the effect of social commerce on e-trusts

6.   To know the effect of fulfillment on e-trust

7.   To know the effect of fulfillment on e-satisfaction

8.   To know the effect of security/privacy on e-trust

9.   To know the effect of security/privacy on e-satisfaction

10.   To know the effect of customer service on e-trust

11.   To know the effect of customer service on e-satisfaction

1.5 Research Benefits

The benefit of research is to identify factors that can increase the loyalty of online media readers, especially Tribun Kaltim, so that it can be used to:

1.   From a theoretical standpoint, this study seems promising. It is expected to contribute to developing the relationship model between e-loyalty, e-trust, e-satisfaction variables with website design, social commerces, customer service, fulfillment, and security/privacy in tribun kaltim online media. As well as being able to provide more insight into the academic field, especially in the editorial and business sections of Tribun In addition, notably in the editorial and business parts of TribunKaltim, he will be able to bring additional insight into the academic field.

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2.   From a practical aspect, this research is expected to input TribunKaltim management. It can be used as a foundation in building strategies to increase e-loyalty in TribunKaltim online media. Furthermore, it is believed that this study would solve journalistic activists who have difficulty maintaining and growing e-loyalty as online media continues to grow in Indonesia.