

## The Role of Marketplace in Building the Brand Trust on the Agricultural Products

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### Abstract

*The agricultural sector is one of the potential sectors in Indonesia's economic growth. Business opportunities in the agricultural sector are currently in high demand. Technological advances are utilized in the e-commerce-based commerce system, namely the sale of agricultural products through online media known as the market place. In this research, the authors focus on how the market place influences consumer trust in agricultural product brands. The method used in this research is descriptive analytical about how the market place affects two indicators of brand trust, namely Brand Reliability and Brand Intention on agricultural product brands. The study population was taken as many as 150 online stores registered in one market place, and saturated samples were taken as much as 1 (one) online store in Bandung which is registered in one marketplace. The results showed that the market place had a significant influence on consumer confidence in agricultural product brands.*

### Keywords

market place; e-commerce;  
agricultural products; brand trust



### I. Introduction

Indonesia as an agricultural country has a society with a high interest in the agricultural sector and its economy depends on the agricultural sector, this was reported from the news / detik.com page on November 16, 2018 that the agricultural sector is a labor-intensive sector which effectively reduces the number of unemployed where the unemployment rate in rural areas (4.04 percent) is lower than in urban areas (6.45 percent). This is supported by Sakernas data that approximately 58.78 percent of the population working in the agricultural sector in Indonesia has an educational background of junior high school and below. Low unemployment in rural areas is the role of the agricultural sector which has succeeded in absorbing a lot of low-skilled labor, but in fact, the sector which is the biggest contributor to the country's economic growth has been replaced by the industrial sector. As is well known, the agricultural sector only takes second place. The reduction in agricultural land will further reduce Indonesia's economic growth in the future, so that other potential sectors such as trade will soon surpass it. Plus, the percentage of the workforce in the agricultural sector is decreasing rapidly. Based on Sakernas data, agricultural labor experienced the fastest decline compared to other sectors in 2018, reaching 0.89 percent compared to the previous year. So that other potential sectors such as trade will soon outrank it. Plus, the percentage of the workforce in the agricultural sector is decreasing rapidly. Based on Sakernas data, agricultural labor experienced the fastest decline compared to other sectors in 2018, reaching 0.89 percent compared to the previous year. So that other potential sectors such as trade will soon outrank it. Plus, the percentage of the workforce in the agricultural sector is decreasing rapidly. Based on Sakernas data, agricultural labor experienced the fastest decline compared to other sectors in 2018, reaching 0.89 percent compared to the previous year.

But on the other hand, the high demand for agricultural products at home and abroad has made the agricultural sector play an important role in supporting Indonesia's economy. In fulfilling high demand, Indonesians now depend on technology, one of which is an e-commerce based commerce system through the marketplace, so that the distribution chain of agricultural product sales from agricultural product sellers to consumers becomes more effective and efficient.

Marketplace is an internet-based online media (web based) for conducting business activities and transactions between buyers and sellers. Buyers can find as many suppliers as possible with the desired criteria, so that they get according to market prices. Meanwhile, suppliers / sellers can find out which companies need their products / services (Opida, 2014). E-marketplace is part of e-commerce. E-marketplace is an interactive electronic business community forum that provides a market where companies can take part in B2B e-commerce and / or other e-business activities. (Brunn, Jensen & Skovgaard: 2002).

The development of business organizations depends on the quality of the products they produce. The better the product produced and useful, the more consumers will enjoy it, especially to meet their daily needs. The quality of products that are in great demand by consumers can be seen from several factors including packaging, price, quality, and benefits obtained by consumers. With good product quality it will have an impact on consumer loyalty and increase revenue for producers. The products that have good quality will have an impact on increasing consumer loyalty (Romdonny and Rosmadi, 2019).

The success of e-commerce with this marketplace concept is determined by the large number of sellers and consumers who join the e-commerce website. Marketplace sites act as third parties in online transactions by providing a place to sell and payment facilities. The benefits felt by farmers and consumers directly and indirectly have a positive effect, the wider marketing channels for agricultural products can increase production demand and spur production procurement among farmers and also the price offered to consumers will be cheaper so that sales of agricultural products increase and beneficial for farmers so that consumer confidence in agricultural products is increasing.

The government continues to intensify digitization and the use of the internet to increase sales of agricultural products with the aim of transforming the agricultural sales process from the traditional way to selling agricultural products in a modern way that can benefit various parties, both sellers, buyers and direct farmers. This transformation has made the current agricultural sector more attractive and has begun to be cultivated by the younger generation with the presence of more and more marketplace users and the emergence of a high market need for agricultural products and the trend of hydroponic farming systems, making people's purchasing power of agricultural products increase. This condition makes online shop users create a complete product sales mechanism which includes information about agricultural products being sold, variations of brands for each agricultural product, variations in prices of products, payment systems for products purchased to the product delivery process. But the fact is that there are online shops that sell agricultural products at very cheap prices without considering the quality of the products being sold, so consumers decide to buy cheap products without being accompanied by product quality or knowing the advantages of these products.

Purchasing agricultural products through the Marketplace is virtual, consumers cannot see the real product directly because the product is only displayed through images and other factors that determine consumers are sure to buy the product through the selected marketplace is a detailed description of the products listed on each product, the ranking position online shop on the marketplace site with a 5 star category for the best, as well as comments from consumers who have previously purchased products at the online shop.

Consumers get many advantages in buying agricultural products through the marketplace compared to having to visit conventional stores, without having to leave the house, the products purchased can be sent home, so we don't have to bother having to carry goods, prices are quite competitive,

Consumer trust in a brand (brand trust) is defined as the desire of customers to rely on a brand with the risks faced because expectations of the brand will lead to positive results (Lau and Lee, 1999: 343). Trust has an important role in the marketing of a business. The dynamics of the business environment are fast forcing agricultural product entrepreneurs to look for more creative and flexible ways to adapt so that it is hoped that the large number of agricultural products sold in the market place will also contribute positively to the advancement of business opportunities in the agricultural sector.

## **II. Review of Literatures**

### **2.1 E-commerce**

*E-commerce* is a process of buying and selling products electronically by consumers and from company to company with computers as an intermediary for business transactions (Laudon: 1998). There are several advantages that e-commerce has and that business transactions carried out offline do not

### **2.2 Market Place**

Marketplace is an internet-based (web-based) online medium for conducting business activities and transactions between buyers and sellers. (Angga, KP: 2017) Buyers can find as many suppliers as possible with the desired criteria, so that they get according to market prices. Meanwhile, (Brunn, Jensen, & Skovgaard: 2002), Marketplace is an interactive electronic business community forum that provides a market where companies can take part in B2B e-commerce and / or other e-Business activities. From these definitions, it can be said that the marketplace is an electronic product marketing platform that brings together many sellers and buyers to transact with each other. Several components that support a marketplace itself, namely:

1. Customers come from all over the world, who surf through the Web.
2. Millions of store sellers are on the Web, advertising and offering a wide variety of items.
3. Goods and services have physical and digital types. These digital products are goods that are converted into digital format and sent via the Internet.
4. Network infrastructure, hardware, software and others are the infrastructure that must be prepared in running the marketplace.
5. Front-end, the seller and the buyer connect in the marketplace through a front-end. This front-end contains vending portals, electronic catalogs, shopping carts, search engines, auction engines,
6. Back-end, Activities related to ordering and fulfilling orders, inventory management, purchasing from suppliers, accounting and finance, payment processing, packaging, and shipping are carried out on the back-end.
7. Intermediaries, third parties that operate between the seller and the buyer. Most of them are computerized

### **2.3 Trust in a Brand**

Brand trust is a brand's ability to be trusted (brand reliability), which is rooted in consumer confidence that the product is able to fulfill the promised value and brand intention which is based on consumer confidence that the brand is able to prioritize consumer interests

(Delgado, 2001). The trust factor for a brand is a crucial aspect in building brand loyalty. They define trust in a brand as a consumer's willingness to trust or rely on a brand in a risk situation due to the expectation that the brand will give positive results (Lau and Lee). Thus trust is defined as the willingness to rely on a relationship with a partner based on belief.

## 2.4 Brand Trust Indicator

According to Delgado (2001) there are two variable indicators that influence brand trust.

### a. Brand Reliability

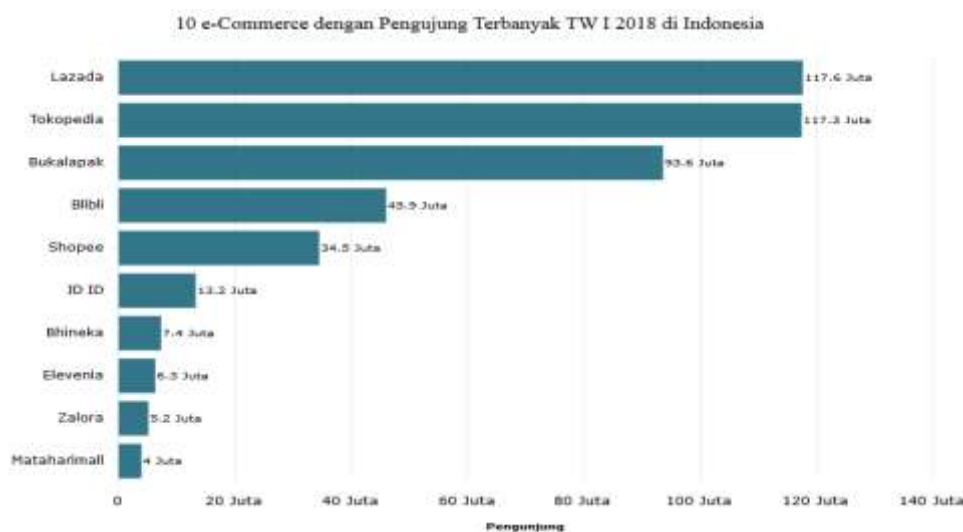
Brand Reliability is the reliability of a brand that is rooted in consumer confidence that the product is able to meet the promised value or in other words the perception that the brand is able to meet needs and provide satisfaction. Brand reliability is essential for creating trust in a brand because the brand's ability to fulfill the value it promises will make consumers feel confident that they will get what they need, in this case the need to get out of their feeling of being threatened.

### b. Brand Intentions

Brand Intentions or interest in a brand reflects consumer belief that the brand is able to prioritize consumer interests when problems in product consumption arise unexpectedly. Therefore, intentionality is related to the belief that brands will be interested in what consumers need and will not take advantage of consumers' ignorance.

## III Research Methods

In a study a researcher is required to use an appropriate research approach. This is intended so that researchers can get a clear picture and results of the problems faced and can find out the steps in overcoming these problems. Quantitative research is an approach for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures (Creswell, 2014: 32). From this explanation, it can be concluded that the Analytical Descriptive Research Method is the most appropriate method for conducting this research. The following is a list of the Most Visitor Marketplace (E-Commerce) in year of 2018 according to the data compiled Katadata



Source: [www.fajarpos.com](http://www.fajarpos.com)

Figure 1. Marketplace (E-Commerce) Most Visitors in TH 2018 (Katadata)

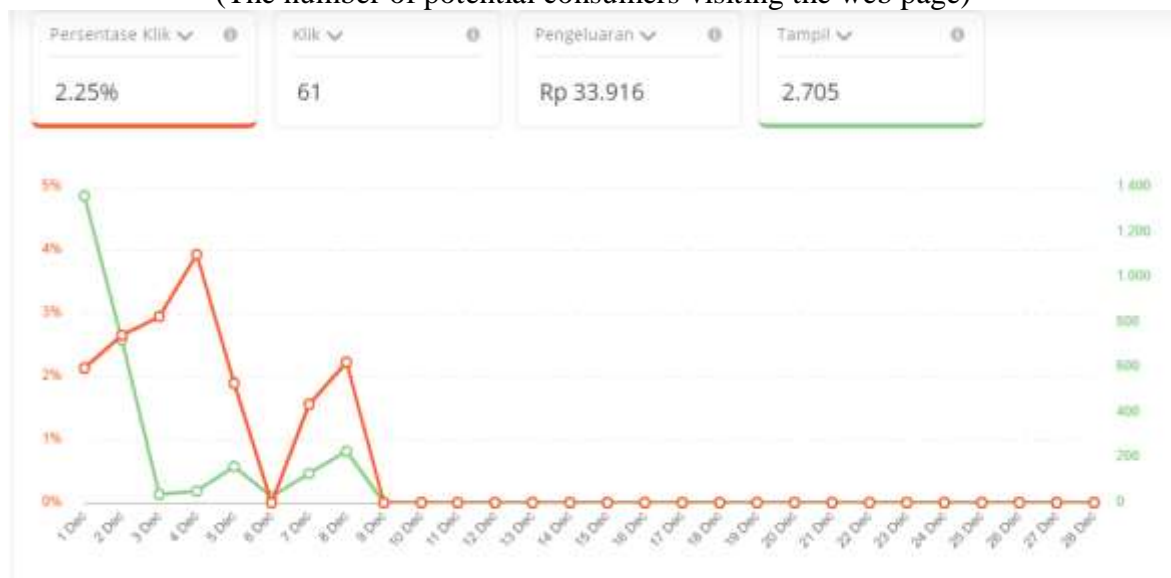
The population in this study is 150 online shops that sell agricultural products in the city of Bandung based on data registered on the Tokopedia marketplace. The sample in this study is a saturated sample, namely 1 (one) online shop in the city of Bandung. The research sample was taken from an online shop registered at the Tokopedia market place that sells agricultural products, with data obtained from the last 1 month based on the following data:

- a) Number of hits via the Web (The number of potential consumers visiting the web page)
- b) Number of customer feedback (number of responses given by potential consumers but no purchase transactions have occurred)
- c) Number of Reviews (Number of responses given by consumers who have made a purchase transaction)
- d) Number of Orders (Number of transactions that occur in one month)
- e) Online shop performance (Ranking given by Marketplace based on predetermined indicators)

#### IV. Result and Discussion

Research data with a sample size of 150 online shops that sell agricultural products at the Tokopedia market place in the Bandung area. This data was obtained based on the data listed for one month (period 01 -31 January 2020) at one of the online stores selling agricultural products in Bandung.

**Table 1.** Number of hits via the Web  
(The number of potential consumers visiting the web page)



Source: Dashboard. Tokopedia

Table 1 above illustrates that potential consumers who visit the web (online shop) have a percentage of 2.25% or as much as 61 hits out of 2705 hits.

**Table 2.** Number of feedback  
(The number of responses given by potential consumers but no purchase transaction)

**Statistik Toko**

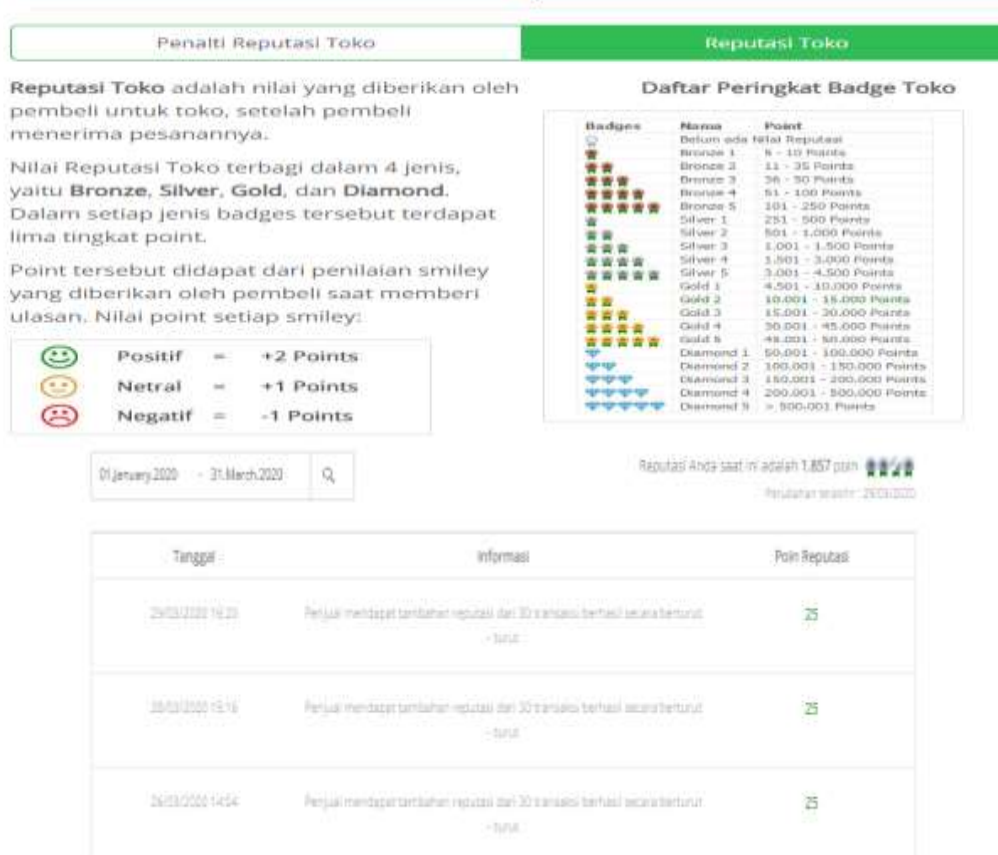


Source: Dashboard. Tokopedia

Table 2 above illustrates that there are 534 reviews (rating 4.9 out of 5) with satisfaction statistics as many as 106 satisfied responses, 3 regular responses, 1 dissatisfied response.

**Table 3.** Number of Reviews  
(The number of responses given by consumers who have made a purchase transaction)

**Informasi Reputasi Toko**



Source: Dashboard. Tokopedia

Table 3 above illustrates that the responses given by consumers to stores after they make transactions are at the Silver 4 level, where the total points in the last month amounted to 1,857 points.

**Table 4. Order Amount**  
(Number of transactions that occur in one month)

Deskripsi	Total
Total Pendapatan Kotor	Rp 20,565,100
Total Biaya TopAds	Rp 0
Total Cashback Yang Diberikan	Rp 0
Total Ongkos Kirim	Rp 2,629,000
Total Asuransi	Rp 94,200
<b>Total Pendapatan Bersih</b>	<b>Rp 17,841,900</b>

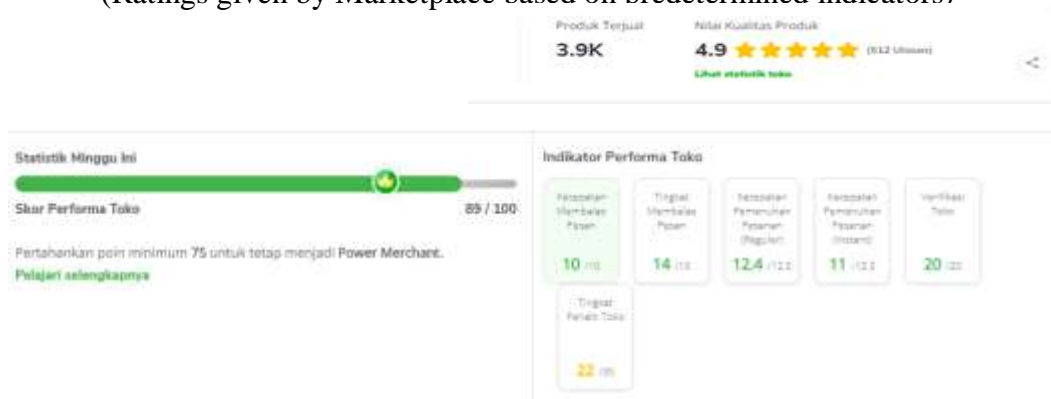
**Transaction data per 3 months**

NO	PERIOD	INCOME
1.	December 2019	IDR 20,540,850
2.	January 2020	IDR 21,653,700
3.	February 2020	IDR 17,841,900

Source: Dashboard. Tokopedia

Table 4 above illustrates the Transaction Data received by Stores during the last 3 months where the expected target in each month is at least IDR 30,000,000. Based on the data obtained, the achievement of transactions in each month is around 50% of the target to be achieved.

**Table 5. Shop Performance**  
(Ratings given by Marketplace based on predetermined indicators)



Source: Dashboard. Tokopedia

Table 5 above illustrates Shop performance that is shown based on the rating given by the Marketplace based on predetermined indicators. These are message reply speed, message reply rate, order fulfillment speed (regular), order fulfillment speed (instant), store verification rate, store penalty rate. The overall store performance score achieved is 89 out of a maximum score of 100.

Based on Table 2, there are 106 responses that state satisfied, meaning that consumers as consumers believe that the product provided by the seller has been able to meet the needs and is able to provide satisfaction both in product quality or in the speed of the purchase process, meaning that through Market place is able to provide significant Brand Reliability in sales agricultural products. Based on the data in Table 5, the overall store performance score achievement is 89 from the expected target of 100. Where the store performance score indicator is seen from the aspect of speed of replying to messages with a score of 10 from the target score of 10; rate of replying to messages with a score of 14 out of a target score of 15, speed of order fulfillment (regular) with a score of 12.4 out of a target score of 12.5; order fulfillment speed (instant) with a score of 11 from the target score of 12.5; store verification with a score of 20 from a target score of 20 and a shop penalty rate with a score of 22 from a target score of 30 which means that through the market place it can affect brand intention or consumer confidence that the product sold is in accordance with the product description listed in product data and fast seller response In replying to messages and speed of order fulfillment, consumers feel confident about repurchasing the same product or other products being sold. Therefore the market place has a significant influence in developing trust in the brands of agricultural products being sold so that consumers feel their needs are fulfilled in terms of the agricultural products needed. store verification with a score of 20 from a target score of 20 and a shop penalty rate with a score of 22 from a target score of 30 which means that through the market place it can affect brand intention or consumer confidence that the product sold is in accordance with the product description listed in product data and fast seller response In replying to messages and speed of order fulfillment, consumers feel confident about repurchasing the same product or other products being sold. Therefore the market place has a significant influence in developing trust in brands of agricultural products being sold so that consumers feel their needs are fulfilled in terms of the agricultural products needed. store verification with a score of 20 from a target score of 20 and a shop penalty rate with a score of 22 from a target score of 30 which means that through the market place it can affect brand intention or consumer confidence that the product sold is in accordance with the product description listed in product data and fast seller response In replying to messages and speed of order fulfillment, consumers feel confident about repurchasing the same product or other products being sold. Therefore the market place has a significant influence in developing trust in the brands of agricultural products being sold so that consumers feel their needs are fulfilled in terms of the agricultural products needed.

## V. Conclusion

Based on the research above, it can be concluded that the market place has a significant influence on consumer confidence in agricultural product brands, because through the market place the demand for agricultural product needs is higher, the marketing channel for agricultural products is becoming wider because it can be accessed from all regions so that it can increase procurement. production either from direct farmers or producers of agricultural products and the prices offered to consumers are also more affordable and there are product delivery facilities that make it easier for consumers to use these products. This has resulted in a high level of trust on agricultural product brands in consumers for an agricultural product so that the agricultural sector is currently quite attractive to many people in various urban areas to do entrepreneurship in agriculture.



Suggestions for further research are to be able to analyze how the Marketplace can increase the profits of agricultural product business actors, this is intended to increase entrepreneurial interest in agricultural products so as to help improve the welfare of farmers and agricultural product producers.

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