

Millennials' Preferences in Marketplace Buying

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Abstract: Millennials, as the largest demographic group in the digital era, show unique preferences in marketplace purchasing behavior. This research aims to identify the factors that influence millennial purchasing decisions on the marketplace platform. The research method uses a quantitative approach with a survey involving 300 millennial respondents actively shopping online. The results of the analysis show that the factors of ease of access, competitive pricing, customer reviews, and discount promotions play a major role in influencing their preferences. In addition, aspects of user experience, such as intuitive application interface and transaction security, are also important priorities. Millennials tend to be more loyal to marketplaces that offer loyalty programs, such as cashback or reward points, which add value to their purchases. These findings indicate that marketplaces need to focus on developing innovative features that align with the needs of this generation, as well as improving personalization-based marketing strategies to strengthen customer engagement. This research provides insights for e-commerce businesses in designing effective marketing strategies that are oriented towards the needs of the millennial generation, which is the backbone of digital economic growth in Indonesia. Furthermore, this study recommends an in-depth exploration of consumer preferences.

Key Words: Millennials; Preferences ; Marketplace ; Buying

Introduction

The development of digital technology has changed the way consumers shop, especially among the millennial generation. The presence of the internet makes it easier for humans to make transactions because it no longer requires a lot of energy and time to find the items needed. Currently, where information and communication technology has experienced very rapid technological advances in this era and the ease of access to everything, including in terms of purchasing decisions through e-commerce (online shopping). The essence of e-commerce is to enable the buying and selling process to no longer be hindered by distance and time (Musa et al., 2019) in other words, a more practical lifestyle change (Toruan et al., 2023) and get maximum satisfaction (Dang et al., 2023). Based on Statista Market Insights data, the number of e-commerce users in Indonesia reached 178.94 million people in 2022. This number increased by 12.79% when compared to the previous year, which was 158.65 million users. Looking at the trend, e-commerce users in Indonesia are observed to continue to increase. The number can be projected to reach 196.47 million users by the end of 2023.

The trend in the increasing number of e-commerce users is predicted to continue for the next four years (Wijayanti et al., 2024). Social media, which was originally a medium for connecting internet users, has now begun to shift functions to become a means of promoting and even selling goods and services. This has resulted in many physical stores now also opening online stores or even switching completely to online stores (Anugraheni & Kusdiartini, 2018). In general, there are two categories of consumers, namely personal consumers are someone who buys a product to meet the needs of themselves, family or

friends while organizational consumers are institutions, governments or companies that buy products so that the organization can run well (Widyastuti & Prastitya, 2020). Marketplace is one of the most popular platforms because it offers various conveniences, from product variety to payment flexibility. The millennial generation, born between 1981-1996, is known as a generation that is very familiar with technology and tends to have unique preferences in determining online shopping choices (Andani et al., 2024). However, there are differences in preferences among millennials in choosing a marketplace. Some studies show that factors such as price, customer reviews, and promotions influence their decisions (Barkah & Febriasari, 2022), customer decisions on purchasing a product will continue to change at any time. (Ikhsanu et al., 2023). Therefore, this research is important to understand millennial preferences and provide insight for businesses.

Preference is a person's choice or tendency towards something, which reflects what is considered more important (Pahlevi et al., 2024), interesting, or satisfying. Preference is an attitude towards a choice of something that is influenced by internal and external factors which can ultimately lead to an attitude of rejection or acceptance depending on the level of individual understanding of the stimulation (Syam et al., 2022). Consumer preference has a definition as a subjective (individual) taste, which is measured by the benefits obtained from a variety of products. Preferences are seen as individual attitudes towards a series of objects that stimulate a person's behavior in the decision-making process (Ronauli & Indriani, 2020). Consumer preferences for a product will continue to change at any time, so it is important for a company to know consumer trends so that business development continues (Manafe & Anigomang, 2021). Consumer preferences are related to how consumers buy goods and services. Individual preferences can be built into the utility function of different product bundles. Consumers rank bundles of goods according to utility levels (Marselina et al., 2022). In various fields of science, preferences are explained through various theories and perspectives. Preference is a cross-disciplinary concept that is influenced by various factors, such as personal experience, social norms, and situational context. An understanding of preferences is essential for analyzing human behavior and decision-making. In the last five years (2019-2024), consumer preferences have undergone significant changes, influenced by technological advances, the COVID-19 pandemic, and changing social values.

Some of the changing trends include; 1) E-commerce and Online Shopping: Online shopping platforms are increasingly dominating, with Gen Z and millennials as the main consumer groups. Many people now choose to shop for their daily needs online, including through groceries apps. Social media such as TikTok is also becoming an important platform for e-commerce, utilizing social commerce features, 2) Personalization and Technology: Consumers increasingly value personalized shopping experiences using data directly from them, such as purchase history or product preferences. Technology, such as AI, is helping to deliver this personalization, including in the beauty and fashion sectors. 3) Flexible Lifestyles and Home as a Comfort Zone: The pandemic has changed consumer preferences for work and home entertainment. Many are choosing to work in a hybrid model and looking for products and services that support home comfort. 4) Product and Service Subscriptions: Subscription-based services are becoming popular, especially for beauty, food and health products. This

model offers convenience and affordability compared to individual purchases. These trends reflect behavioral changes driven by the need for efficiency, technology, and new values, which will likely continue to evolve in the coming years.

The steps that consumers go through in forming preferences are: 1. Each consumer has different preferences on related attributes 2. Consumers with different needs and wants have differences in the assessment of existing attributes. 3. Consumers have product confidence in the location of the product in each attribute 4. Consumers have different levels of product satisfaction according to different attributes 5. The attitude given by consumers to different brands in the evaluation process (Wahyudi, 2019). In the consumer behavior model, the process starts with marketing stimuli and other external stimuli such as economics, technology, culture, and politics. This series of stimuli will be influenced and affect consumer psychology and characteristics, which then continue in the purchasing decision process. In the purchasing decision process, there are several stages which begin with the identification of problems by consumers regarding what consumers need and need. The next stage is where consumers seek information about a series of products. Several alternative products will appear which will be evaluated. In the evaluation stage, consumers will form preferences for a series of product choices which ultimately determine the purchase decision (Putri & Iskandar, 2014).

Method

This research uses quantitative methods with surveys as the main instrument. Quantitative Methods with Surveys is one of the research approaches that uses numerical data to understand, explain, and predict certain phenomena. Surveys are the main tool in this method, where data is collected through questionnaires or structured interviews from a large number of respondents. Main Characteristics of Quantitative Methods with Surveys in this study Aim to measure the relationship between variables, explain trends, or make generalizations based on a representative sample. Data Collection The survey used a questionnaire with closed questions (multiple choice, Likert scale) to facilitate data quantification, conducted online. The population is the millennial generation in Tulungagung who actively shop online. A sample of 300 respondents was selected using purposive sampling method, ensuring they have experience using the marketplace. Furthermore, numerical data were analyzed using descriptive statistics.

Research Instruments, The questionnaire was structured with a Likert scale (1-5), covering the following variables: Ease of access, an important factor in purchasing decisions, especially in the digital age, where consumers want a fast and seamless shopping experience, learning what consumers need and want will lead marketers to appropriate and efficient marketing policies. Consumer studies provide clues for improving and introducing products or services, setting prices, planning channels, composing messages, and developing other marketing activities (Putri & Iskandar, 2014). Competitive pricing, is one of the main strategies to win the market in competition (Kotler, Philip & Keller, 2016). Consumers often choose the option with the best value for their budget Customer reviews, as well as personal recommendations, make it a key indicator of consumer preference in choosing a product or

service, digital customer reviews, positive reviews are proven to increase purchase intent and build trust in the brand; Promotions, Promotions are considered an integral part of marketing communications that influence purchasing decisions by creating short-term incentives, promotions are key in shaping consumer preferences through incentives and brand reminders, The goal of any marketing is to cause satisfaction for consumers (Anasrulloh & Hastuti, 2023) ; User experience, Positive user experience is a key indicator of customer retention and is often a key differentiator in consumer preferences in competitive markets. The five indicators of preference mentioned.

Results and Discussion

Respondent Characteristics, The majority of respondents are aged 23-35 years (78%) with a minimum education level of bachelor's degree (65%). Most respondents (72%) use the marketplace more than twice per month. Dominant Factors in Millennial Preferences ; 1) Ease of Access, Ease of app navigation and fast loading time are highly valued factors. Millennials tend to choose platforms with intuitive and user-friendly designs. 2) Competitive Price, Respondents consider price to be a key factor. Marketplaces that offer discounts and competitive prices are more likely to be in demand. 3) Customer Reviews, As many as 84% of respondents stated that they check customer reviews before purchasing a product. Positive reviews increase consumer trust in the marketplace. 4) Promotion and Loyalty, Cashback, free shipping, and loyalty programs such as reward points are effective incentives in attracting millennials. 5) User Experience, Responsive interface and transaction security are considered very important. Respondents tend to be loyal to marketplaces that are able to provide a consistent user experience.

This result is in line with previous research which shows that millennials do not only rely on celebrity uploaded content and reviews to determine their consumption (Barkah & Febriasari, 2022). Marketplaces need to develop data-driven strategies to understand individual needs, and pay attention to customer reviews as a source of trust. What is important in buying goods through social media is the ease of finding the items they want on social media (Anugraheni & Kusdiartini, 2018). Millennials want a variety of goods because of the increasingly complex needs of life. Human needs for household appliances, electronics, automotive needs and so on can be found in merchandise in online shops (Musa et al., 2019).

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