

The Effect of Social Commerce Construct On Buying Intentions via Consumers Trust in Sellers

Social Commerce
Construct

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ABSTRACT

Social commerce is the latest development in electronic commerce resulting from the use of social media to interact with fellow users via the internet. The development of these social platforms cannot be separated from the latest advances in ICT and the emergence of web 2.0 technology along with the popularity of social media and social networking sites. Social interactions through social commerce platforms have encouraged consumers to share their personal experiences with others. Many studies have studied e-commerce extensively. However, there is still little research that can identify the characteristics of social commerce that can attract consumer attention. This research aims to examine the influence of the social commerce construct on purchase intentions through consumer trust in sellers. Quantitative data was collected from respondents who live in Kebumen district. Data collection used purposive sampling technique with a research sample of 125 respondents. Data analysis using SEM-PLS. The research results show that the social commerce construct influences purchase intentions, the social commerce construct influences consumer trust in sellers and consumer trust in sellers influences purchase intentions.

Keywords: Social Commerce Construct; Buying Intentions; Consumers Trust in Sellers

ABSTRAK

Social commerce merupakan perkembangan terkini dalam perdagangan elektronik yang dihasilkan dari penggunaan media sosial untuk berinteraksi dengan sesama pengguna melalui internet. Perkembangan platform sosial tersebut tidak lepas dari kemajuan terkini ICT dan munculnya teknologi web 2.0 seiring dengan popularitas media sosial dan situs jejaring sosial. Interaksi sosial melalui Platform perdagangan sosial telah mendorong konsumen untuk berbagi pengalaman pribadi mereka dengan orang lain. Banyak penelitian yang telah mempelajari e-commerce secara ekstensif. Namun, masih sedikit penelitian yang dapat mengidentifikasi karakter perdagangan sosial yang dapat menarik perhatian konsumen. Penelitian ini bertujuan untuk menguji pengaruh social commerce construct terhadap buying Intentions melalui Consumers trust in sellers. Data kuantitatif dikumpulkan dari responden yang tinggal di kabupaten kebumen. Pengumpulan data menggunakan teknik Purposive sampling dengan sampel penelitian sebanyak 125 responden. Analisis data menggunakan SEM-PLS. Hasil penelitian menunjukkan bahwa social commerce construct berpengaruh terhadap buying Intentions, social commerce construct berpengaruh terhadap Consumers trust in sellers dan Consumers trust in sellers berpengaruh terhadap buying Intentions.

Kata kunci: Konstruksi Perdagangan Sosial; Niat Membeli; Consumers Trust in Sellers

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INTRODUCTION

Social commerce is the latest development in electronic commerce resulting from the use of social media to interact with fellow users via the internet. The development of these social platforms cannot be separated from the latest advances in Information and Communication of Technology (ICT) and the emergence of web 2.0 technology along with the popularity of social media and social networking sites (Hajli, 2015). The platform can facilitate its users to carry out social trading. Web 2.0 technology allows social commerce to develop so rapidly (Muniroh & Yudhawati, 2017). Social commerce integrates social media technology into e-commerce platforms that enable customers to communicate with each other and businesses through online groups, communities, generating reviews, ratings and recommendations. Social commerce platforms provide various features such as ratings, reviews, tags, recommendations and references to online buyers and user profiles to share experiences (Kim and Park, 2013).

Social commerce can provide social support and develop a trustworthy business environment through social commerce platforms (Shadkam & O'hara, 2013). Some consumers prefer to share their personal experiences through social commerce platforms because the users are indirect acquaintances or friends. Sharing information seems more accurate and real than information from sellers (Bai et al., 2015). Consumer trust in reviews and ratings has a very crucial role in developing consumer purchasing intentions as well as stimulating product sales. Meanwhile, social commerce construction will increase consumers' social support and trust in sellers (Hu et al., 2022).

This research is based on research by Rashid et al. (2022) entitled Role Of Social Commerce Constructs And Social Social Presence As Moderator On Consumers Buying Intentions During Covid 19. This research has several limitations. First, the research location is only limited to consumers in Pakistan. Second, this research only focuses on the moderating effect of social presence variables to advise managers and scholars. This research also suggests future researchers to enlarge the scope of the target audience because it is not only the Zoomer generation who are active users of social commerce. The research also suggests examining other construction perspectives that influence consumer buying interests. For example, content, design, message, media experience and so on. A longitudinal approach could also be applied in future research to strengthen the research. Researchers will expand the research location. The target audience is not only the zoomer generation, but also Gen X and Gen Y. This research focuses on the Facebook platform as a form of social commerce in Indonesia that facilitates electronic commerce. Apart from that, researchers also used a 1-7 Likert scale to get better results.

LITERATURE REVIEW

Social commerce constructs are built-in features of websites that allow consumers to interact with other consumers, refer, rate, comment and shop for products. This feature can increase socialization among consumers (Hajli & Sims, 2015). The supporting characteristics that support social purchasing activities are forums, blogs, videos, reviews, recommendations and social networks (Kim & Park, 2013). This study considers reviews, ratings, referrals and recommendations as important Social Commerce Constructs. Reviews and ratings are visible to everyone and are defined as a collection of features provided by social commerce websites that allow consumers to share feedback with other consumers (Shadkam & O'Hara, 2013). Referrals and recommendations are personalized social activities that allow consumers to share information with their peers in making purchasing decisions (Kim & Park, 2013; Rashid et al., 2022). Social commerce construction allows sellers to increase social presence, social support with peers in Social Commerce and develop trust which increases consumer purchase intentions (Rashid et al., 2022).

Trust is the belief that a promise will be realized according to the final agreement (Rashid et al., 2022). The virtual purchasing environment is an important part of today's marketplace. If you don't believe in your product, you won't build a sales business

online. Trust is a central issue in most financial and social exchanges, especially in web-based environments where there may be much vulnerability (Pavlou, 2003). Trust becomes more important when the perceived danger is high, such as in e-commerce businesses (Mutz, 2005). This region has been widely studied by researchers (Pavlou, 2003; Mutz, 2005; Morid & Shajari, 2012; Kim & Park, 2013). This is largely because trust plays an important role in the e-commerce acceptance process (Aljifriet al., 2003) and plays an important role in web-based businesses.

According to Hajli & Lin (2014), in order for both parties to reduce the risks they perceive in transactions, some kind of trust and security is needed due to the emergence of social technology and Internet interconnectivity. According to Gefen & Straub (2004), everyone wants to reduce social uncertainty. There are also those who argue that e-commerce sites describe products or services accurately so that consumers will trust the website more (Yang et al., 2009). This can happen because social technology is able to facilitate someone to create customer reviews, information and see other people's experiences in forums and communities. For example, when a forum or community member makes recommendations by providing good feedback on a vendor, other online community members will tend to have a higher level of trust (Lu et al, 2010).

Competition in the online market is increasing along with the development of online purchasing (Akroush & Al-Debei, 2015). This changes the rules of retail for consumers and retailers. Buyers and retailers have a better experience, more customer support and engagement opportunities (Rashid et al., 2022). Recent studies recommend stores and retailers increase consumer acceptance of their products and websites. This aims to increase sales. Preliminary findings suggest that effective online business involves a deep understanding of consumer acceptance factors that influence purchase intentions. Purchase intention is defined as a customer's intention to engage in online purchases on social networking sites (Hajli, 2015). According to Keller (1993), consumer interest is the possibility of consumers to buy a brand or the possibility of consumers to switch from one brand to another. Purchase interest is at the alternative evaluation stage in a buyer's decision-making process. Consumers will compare or consider each item consumed. Purchase intention is influenced by two main factors, namely other people's attitude factors and unanticipated situational factors (Zhuang et al., 2006). According to Nurfitriani & Hasanah (2022), indicators of buying interest consist of transactional interest, referential interest, preferential interest and exploration interest.

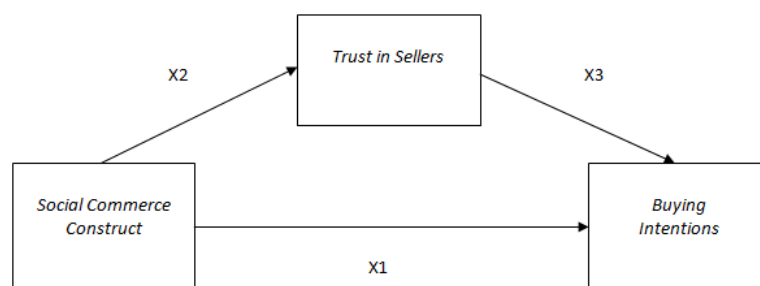


Figure 1. Framework of Thought

METHODS

This research is descriptive quantitative research. The research population is social commerce users, especially Facebook in Kebumen. The research sample was taken using a purposive sampling technique. The research respondents totaled 125 people. The data collection method uses interview techniques by preparing a list of questions distributed via Google form. This research uses a Likert scale of 1 (Strongly Disagree) to 7 (Strongly Agree) with data analysis using SEM-PLS. In this research, the Social Commerce Construct includes 3 main dimensions, namely Recommendations and Referrals, Ratings and Reviews, Forums and Communities.

RESULTS

According to Koufteros (1999), convergent validity is seen from the outer loading and Average Variance Extracted (AVE) values where the cut off value for each value is: for outer loading/loading factor the required value is 0.7 but for initial stage research, the value 0.5 – 0.7 is still considered to have passed the convergent validity test (Ghozali & Latan, 2015). Then Johari et al. (2011) stated that Convergent Validity is considered fulfilled if the Average Variance Extracted (AVE) value is ≥ 0.5 . The results of the convergent validity test are as follows, explained in Table 1.

Table 1. Outer Loading Results

Variable	Item	Outer loading	VIF
Social Commerce Construct	x.1	0.702	2.102
	x.2	0.837	2.517
	x.3	0.802	2.334
	x.4	0.802	2.505
	x.5	0.790	2.369
	x.6	0.836	2.418
	x.7	0.787	2.292
Purchase Intention	y.1	0.768	1.505
	y.2	0.850	1.614
	y.3	0.829	1.449
Trust in Sellers	z.1	0.920	4.461
	z.2	0.925	4.578
	z.3	0.880	2.985
	z.4	0.817	1.781

From Table 1, it can be seen that all outer loading values for all variables have values > 0.7 . All variable items pass the external loading test. Based on the results of the multicollinearity test, it can be seen in the table above in the VIF column. The VIF value of all variables is no more than 10 so it can be said that in this study there was no multicollinearity.

Table 2. AVE, Cronbach's Alpha and Composite Reliability results

Variable	AVE	Nilai Kritis	Cronbach's Alpha	Rule of Thumb	Composit Reliability
Buying Intention	0.666	$> 0,5$	0.753	>0.7	0.857
Social Commerce Construct	0.631	$> 0,5$	0.902	>0.7	0.923
Trust in Sellers	0.786	$> 0,5$	0.909	>0.7	0.936
Result	Valid	Valid	Reliable	Reliable	Reliable

From Table 2, it shows that the three variables used in this research are valid because they produce AVE values > 0.5 . All variables used are reliable because they produce a Cronbach's alpha Composite Reliability value > 0.7 so that the data is reliable and further data processing testing can be carried out.

Goodness of Fit (GoF) aims to determine the level of suitability and feasibility of a research model. In the GoF value, there are three value criteria for drawing conclusions, namely: a value of 0.10 means the level of feasibility is small (GoF small), then a value of 0.25 means the level of feasibility is medium (GoFmedium), finally a value of 0.36 means the level of feasibility is large (big GoF). Meanwhile, the data analysis will first present the results of the structural model test (inner model) on the coefficient of determination (R²). In determining the value of the coefficient of determination / R-square (R²), the value ranges from 0 to 1 and is divided into three assessment criteria, the first for the R-square (R²) value (1 – 0.75) which is substantial / strong, the second for The R-square (R²) value (0.74 – 0.5) is moderate, the third R-square (R²) (0.49 – 0.25) is weak. In determining the predictive relevance value (Q²), the value ranges from 0 to 1. If the Q² value > 0 then it indicates the model used in the research has predictive relevance and if the Q² value ≤ 0 then it indicates the model used in the research lacks

predictive relevance. The closer the predictive relevance value is to 1, the more the research model has a high predictive model.

Table 3. Results of R-Square Values and Predictive Relevance (Q2)

Variabel	R ²	Q Square
Buying Intention	0.578	0.359
Trust in Sellers	0.531	0.402

$$GOF = \sqrt{AVE \times R^2} = \sqrt{0.694 \times 0.554} = 0.6200$$

The calculation results in Table 3, show that the GoF value produced by this research model is 0.6200, which concludes that the overall performance of the prediction model which is reviewed at the level of conformity between the inner model and the outer model has a large level of feasibility because it produces a value GoF above 0.36. The result of the coefficient of determination (r square) value produced by the construct in this research is the contribution of the Social Commerce Construct variable to the Trust in Sellers variable of 0.531 or 53.1%. Meanwhile, the remaining 46.9% (100 - 53.1) was influenced by variables outside the research. The contribution of the Social Commerce Construct and Trust in Sellers variables to the Buying Intention variables is 0.578 or 57.8%. Meanwhile, the remaining 42.2% (100 - 57.8) was influenced by variables outside the research.

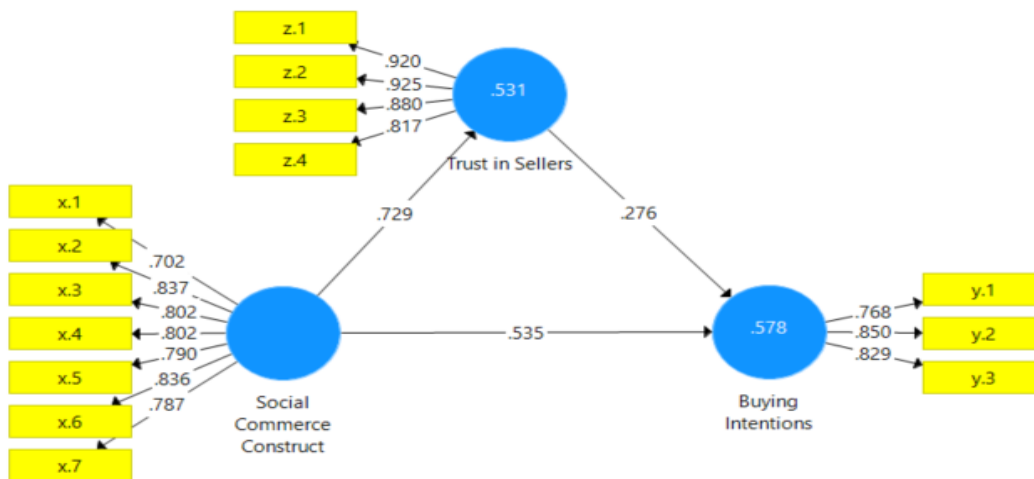


Figure 2. PLS Algorithm

The results of the predictive relevance value (q square) produced by the research construct, all variables are greater than the value 0, so that distributive justice towards Y has predictive relevance. The criteria for this significance test are if the probability value is > 0.05, then there is no influence between the independent and dependent variables or H0 is accepted and Ha is rejected. If the Probability value <0.05, then there is an influence between the independent variable and the dependent or H0 is rejected and Ha is accepted.

Table 4. Bootstrapping Calculation Results

Code	Hypothesis	Original Sample	T statist	P values	Conclusion
H1	Social Commerce Construct -> Buying Intention	0.535	6.265	0.000	Accepted
H2	Social Commerce Construct -> Trust in Sellers	0.729	13.687	0.000	Accepted

H3	Trust in Sellers -> Buying Intention	0.276	3.215	0.001	Accepted
H4	Social Commerce Construct -> Trust in Sellers -> Buying Intention	0.201	2.976	0.003	Accepted

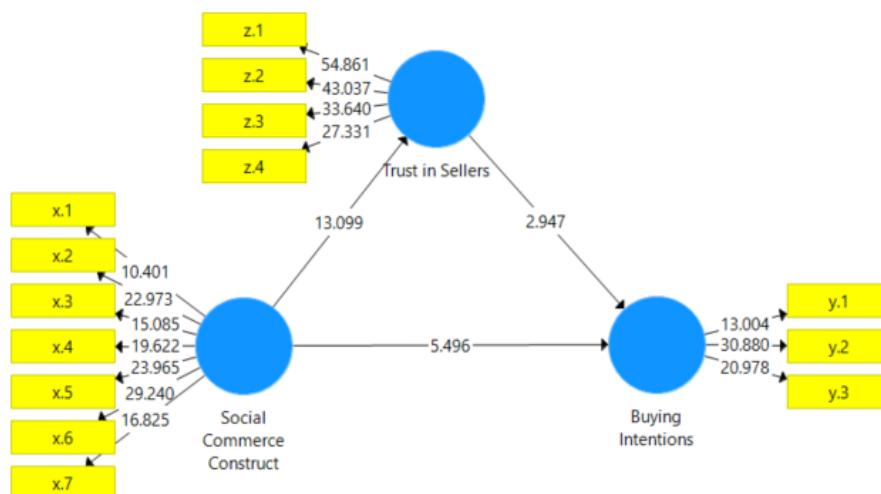


Figure 3. Bootstrapping results

DISCUSSION

From data processing it is known that the P value (0.000) is smaller than 0.005. Therefore, it can be concluded that the social commerce construct has a significant positive effect on purchase intentions. Social commerce makes it easier for consumers to provide ratings, reviews, recommendations and references. A person's ratings and reviews can help other consumers make decisions. The review in question is the information and experience that customers have regarding a product or service (Cheong & Morrison, 2008). Consumer experiences in using products/services can be shared with other consumers who do not have experience. Recommendations for a product can influence consumer behavior regarding product selection.

From data processing it is known that the P value (0.000) is smaller than 0.005. Therefore, it can be concluded that the social commerce construct has a significant positive effect on consumer trust in sellers. Social commerce platforms enable consumers to build consumer-to-consumer relationships through reviews, ratings, referrals and recommendations and increase familiarity. This can reduce anxiety and rumors among consumers. So it can be said that increasing social interaction can increase consumer confidence (Adji, 2014). Based on data processing, it is known that the P value (0.001) is smaller than 0.005. Therefore, it can be concluded that consumer trust in sellers has a significant positive effect on purchase intentions.

Testing hypothesis 4 of the influence of Social Commerce Construct on Purchase Interest through the mediation of Trust in Sellers obtained a statistical t value of 2.976 and a p value of 0.003. This shows that Trust in Sellers can positively mediate the relationship between the influences of Social Commerce Construct on Purchase Intention. Trust is very important in e-commerce. The activity of reading reviews and someone's assessment in forums and communities about a product can increase familiarity among consumers. This can create trust in transactions. Trust can reduce doubts in purchasing intentions.

CONCLUSION

There is a significant positive influence between the social commerce construct on purchase intentions and trust in sellers. The higher the social commerce construct, the greater the consumer's purchase intention and trust in the seller. There is a significant positive influence between trusts in the seller on purchase intentions. This means that the higher the seller's trust, the higher the purchase intention. There is a significant positive influence between the social commerce construct on purchasing intentions through consumer trust in sellers. This research's suggestions for further research include expanding the sample and research locations. Future researchers can also focus their research on different social commerce platform users or observe several social commerce platform users simultaneously to see the consistency of research results.

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