

CHAPTER I

INTRODUCTION

This chapter will describe the whole process of this study in terms of variables that influence social commerce intention. This chapter has the following sections: research questions, research background, research contribution, research objectives and research outline. The process is displayed in figure 1.1 below.

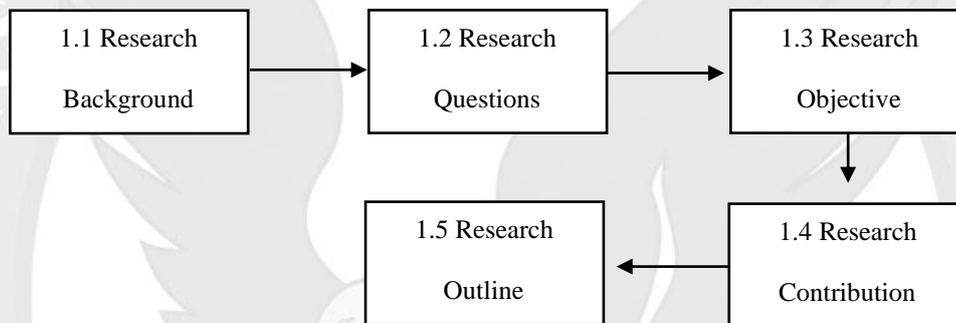


Figure 1.1. Chapter I Flow Chart
Source: Made for this research (2021)

1.1. Research Background

The rapid innovations of technology and the internet access for online buying and selling activities has an influence on modifications in conventional trading methods (Agustina, 2017). Transactions that were formerly conducted face to face with cash payments have evolved into sales through website (Agustina, 2017). This phenomenon often known as e-commerce with different kinds of payment such as transfers ATM, internet banking, PayPal, joint account and several more payment options (Agustina, 2017). Many elements of social commerce are similar to those of conventional shopping (Alattar & Boujarwah,

2016). Since both social media platforms and shopping forums allow users to engage with one another through comments, reviews, ratings, and other features (Alattar & Boujarwah, 2016).

S-Commerce or social commerce is the usage of social media to market social interactions and contribute to the improvement of the purchasing and selling of goods and services (Alattar & Boujarwah, 2016). It includes shopping with social networking activities (Alattar & Boujarwah, 2016). The advantages of social commerce may be perceived from two perspectives (Alattar & Boujarwah, 2016). Social commerce improves consumer loyalty and creates a more interesting purchasing experience from the business point of view (Alattar & Boujarwah, 2016). It also assists companies in reaching new audiences as open social networks become more popular (Alattar & Boujarwah, 2016). E-commerce is a commercial activity that is directly connected to the exchange of products and services. As well as other associated enterprises in which electronic communication mediums play a major role (Heng, 2003 cited by Agustina, 2017).

While social media is a phenomenon that has transformed people's interactions and communication all around the world (Agustina, 2017). Every minute, a tremendous quantity of data is generated on social networks. Every 60 seconds, 2,460,000 pieces of information are published via Facebook and 216,000 new posts are posted via Instagram (James, 2014 cited by Alattar & Boujarwah, 2016). Indonesia has now begun a phase of global economic development based on innovation, technologies and knowledge (Ramli, Ramli, Permata, Ramadayanti & Fauzi, 2020). Indonesian people are highly popular on social media. As a result,

the availability of social media has the potential to affect people's behavior in carrying out daily tasks, including trading activities (Hidayatulloh, Ganinda & Nugroho, 2020).

TNS, an English research, conducted an analysis that Indonesians love to use Instagram for inspiration (Hidayatulloh et al., 2020). They done it to share vacation experiences and to stay up to date on the newest trends (Hidayatulloh et al., 2020). The mobile first community has also resulted in positive commercial outcomes for both large and small businesses in Indonesia (Prihatiningsih, 2017). Therefore, researcher choose Instagram as the object of this research. Instagram is a social networking platform that was founded in 2010 that allows users to publish photographs and videos. Instagram also engage with other users by liking content and like other people's posts (Maria, Wijaya & Keni, 2021).

Instagram has added additional features throughout the years such as enabling advertisements from social media users, businesses, the story feature and IGTV. All of which attempt to improve user experiences and guarantee that users are continuously connected (Maria et al., 2021). According to the data, some individuals in Indonesia are active internet users, particularly on social media and the majority of users are in their teenage years (Prihatiningsih, 2017). There are four reasons why researcher choose Instagram. First, Indonesia is one of the countries with the highest number of Instagram users with 89 percent of instagrammers aged 18-34 using Instagram at least once a week (Prihatiningsih, 2017).

Therefore, this is similar to this study, which showed that the majority of Instagram users are millennials. Second, Instagram has transformed into a social media that allows the occurrence of social shopping (Arifuddin & Irwansyah, 2019). Social shopping concept mention that social media users get influence to buy goods because any suggestions from friends, family or celebrities they follow from Instagram (Yurieff, 2018 cited by Arifuddin & Irwansyah, 2019).

Third, Instagram states that there are more than 90 million users worldwide who use Instagram for online shopping (Yurieff, 2018 cited by Arifuddin & Irwansyah, 2019). Regardless of the positive impact, the last reason to picked Instagram as the research object is connected to the current issue that Instagram users are facing in Indonesia, as seen by the indicators that will be analyzed in this study. Table 1.1 until 1.3 below shows percent market share of social media platform in Indonesia from 2018 until 2020.

Table 1.1. Number of percent market share of social media platform in Indonesia (2018)

No	Social Media	Market Share %
1	Facebook	71.42
2	YouTube	12.91
3	Twitter	5.83
4	Instagram	5.16
5	Pinterest	3.95
6	Google+	0.36
7	Tumblr	0.12
8	reddit	0.1
9	LinkedIn	0.06
10	VKontakte	0.06
11	StumbleUpon	0.03
12	Other	0.01

Source: gs.statcounter.com (2018)

Table 1.2. Number of percent market share of social media platform in Indonesia (2019)

No	Social Media	Market Share %
1	Facebook	44.52
2	Twitter	18.76
3	YouTube	17.83
4	Pinterest	9.68
5	Instagram	8.49
6	Tumblr	0.22
7	VKontakte	0.17
8	reddit	0.14
9	Google+	0.11
10	LinkedIn	0.07
11	StumbleUpon	0.01
12	Other	0.01

Source: gs.statcounter.com (2019)

Table 1.3. Number of percent market share of social media platform in Indonesia (2020)

No	Social Media	Market Share %
1	Facebook	43.11
2	YouTube	33.87
3	Pinterest	9.33
4	Twitter	7.31
5	Instagram	5.96
6	Tumblr	0.18
7	VKontakte	0.08
8	reddit	0.08
9	LinkedIn	0.05
10	Other	0.01

Source: gs.statcounter.com (2020)

As shown in table 1.1 until 1.3, Instagram is a social media application whose market share percentage in Indonesia is number 5 compared to other social media applications such as Facebook, Youtube, Pinterest, Twitter, etc. Statcounter gives no indication of the reason behind Instagram's fall and shifting results. However, Instagram's fall happens because many users are complaining about the hate speech and negative comments in the platform (Nandyala, 2018). As a result, individuals less interested to utilize Instagram (Nandyala, 2018).

The appearance of negative comments in the platform happens because the lack of informational and emotional support from ethical policy by Instagram (Nandyala, 2018). Ethical privacy concerns can be seen in harassment and negative comments since it is a common issue on social media (Nandyala, 2018). Users may report an account on Instagram if they are subjected to harassment or get abusive messages (Nandyala, 2018). This phenomenon is related with previous research from the World Bank and EPJ data science, Instagram has created negative impact in terms of a person's mental health (Reece & Danforth, 2017). This is in accordance with previous research which state Instagram is not a suitable platform to seek emotional support (Hayes, Carr & Wohn, 2016).

This resulting in users for not being able to get a social pressure from closest individuals to utilize Instagram (Lubis, Lubis, Amelia, Ramadhani, Pane & Aryza, 2019). Where individual views of social thinking don't assist them in carrying out activities in Instagram (Lubis et al., 2019). This will influence the intention of online purchase activity via Instagram (Lubis et al., 2019). According to previous research, subjective norm impact customer's usage of Instagram for shopping (Lubis et al., 2019). Friends and colleagues were found to encourage them in their online shopping activity (Lubis et al., 2019). According to the findings of the study, subjective norms influence the purpose of online purchase intention via Instagram.

The appearance of negative comments on social media affects one's perception of how useful the platform is (Putri, 2021). The features and

accessibility offered from Instagram would attract new users to engage in the platform if they thought to be useful (Putri, 2021). Customers also likely to purchase online if they can easily interact with sellers on Instagram (Putri, 2021). According to the findings of previous study, perceived usefulness has an impact on the intention to repurchase fashion products via Instagram (Putri, 2021).

This demonstrates that the perceived usefulness of Instagram users has a stronger effect on their intention to repurchase products offered on Instagram (Lubis et al., 2019). Furthermore, trust is thought to have an impact on millennial's online shopping intention (Lubis et al., 2019). The appearance of many negative comments in the platform leads users to doubt (Lubis et al., 2019). Where individuals do not trust having online transactions in the platform (Lubis et al., 2019). According to the findings from previous study, trust has an impact on the intention of online purchase behavior via Instagram (Lubis et al., 2019).

Social commerce intention is driven by the experiences obtained from Instagram which led them to utilize Instagram to buy and sell a product (Ramli et al., 2020). Negative comments can reduce the intention to utilize Instagram, this is because advertising on Instagram platforms has been optimally viewed with the use of photos, videos, posters and animations (Ramli et al., 2020). Social commerce intention is the goal to be achieved for Instagram, so in this research there are several factors that influence the intention for users to engage in Instagram. Subjective norm, perceived usefulness and trust is the variables which affect the intentions to participate in Instagram.

Therefore, researcher has found a problem regarding social support in Instagram. Instagram as social commerce drivers include informational social support and emotional social support (Ventre, Descals & Frassetto, 2021). Besides the problem that Instagram has created for its users, below are some previous studies that have been conducted on the variables evaluated in this study to identify problems that need to be solved in this study.

Table 1.4. Research Gap

Previous Research	SCI	SS	ES	IS	PU	T	SN
Kusumawardhani et al., (2019)	V					V	V
Zhao et al., (2019)	V		V	V		V	
Liu et al., (2020)	V	V	V	V	V	V	V
Hutasoit (2021)		V			V		
Ashur (2016)	V	V				V	
Sitepu & Azhar (2020)	V	V					V
Gong et al., (2019)						V	V
Larasetiati & Ali (2019)	V				V	V	
Wang et al., (2016)	V					V	
Yulianita (2018)	V						V
TOTAL	8	4	2	2	3	7	5

Source: Developed for this research (2021)

Notes: SCI: Social Commerce Intention

SS: Social Support

ES: Emotional Support

IS: Informational Support

PU: Perceived Usefulness

T: Trust

SN: Subjective Norm

Based on table 1.2, it is possible to conclude that certain variables have been explored by previous studies and there are some variables that are still few has done to research. This indicates that this research is supported by multiple studies published, as well as certain some variables with limited literature support. In table 1.2, it shows that there are still few studies discussing emotional support, informational support (Zhao, Huang & Su, 2019; Liu, Su, Du & Cui, 2020). While social support, social commerce intention, subjective norm, perceived usefulness and trust has much previous research. Therefore, this research is conducted with the support from the main journals that becomes the main reference in this research. Because this study is a replication of previous research by Liu, Su, Du and Cui (2020), it was decided to include all variables to this research.

It is stated from previous research that positive content shared by strangers was found to be negatively connected with viewer's emotions (Trifiro, 2018). However, more Instagram usage does not mean higher emotional support (Shensa, Sidani, Lin, Bowman & Primack, 2016). The information that individuals get from Instagram enables individuals to create quick impressions of others (Jiang & Ngien, 2020). Informational support as important variable in this research can be seen by the influence of Instagram such as promote hate speech and receive fake news which lead someone to do negative things (Kusuma & Yuniardi, 2020). Previous research revealed that annoying social media activities such as hate speech and fake news cause users to unfollow a business and intention to use social media (Hutchinson, 2016 cited by Shan, Meng, Wen & Wen, 2018; Kusuma & Yuniardi, 2020).

1.2. Research Questions

Based on previously provided context, the following research questions have been developed:

1. Does social support have impact to perceived usefulness on Instagram user?
2. Does social support have impact to trust on Instagram user?
3. Does social support have impact to subjective norm on Instagram user?
4. Does subjective norm have impact to trust on Instagram user?
5. Does perceived usefulness have impact to trust on Instagram user?
6. Does perceived usefulness have impact to social commerce intention on Instagram user?
7. Does trust have impact to social commerce intention on Instagram user?
8. Does subjective norm have impact to social commerce intention on Instagram user?

1.3. Research Objective

1. To examine whether social support has impact to perceived usefulness on Instagram user
2. To examine whether social support has impact to trust on Instagram user
3. To examine whether social support has impact to subjective norm on Instagram user
4. To examine whether subjective norm has impact to trust on Instagram user

5. To examine whether perceived usefulness has impact to trust on Instagram user
6. To examine whether perceived usefulness has impact to social commerce intention on Instagram user
7. To examine whether trust has impact to social commerce intention on Instagram user
8. To examine whether subjective norm has impact to social commerce intention on Instagram user

1.4. Research Contribution

Contribution is defined as a text obviously adds, embellishes or creates anything beyond what is previously known (Ladik & Stewart, 2008 cited by Azasu & Simons, 2018). Generally, theoretical and practical contributions are two types of research contribution (Azasu & Simons, 2018). Theoretical contribution refers to specific contribution of research to the development of theory, science and the academic environment. Furthermore, practical contribution is made by doing research to the research object for individuals, a group or an organization (Azasu & Simons, 2018). The object of research in this study is Instagram.

1.4.1. Theoretical Contribution

Theoretical contribution defined as the ability of research to be both original and useful (Kachchhap & Mishika, 2015). Theoretical contribution is a process based on theory building and progress in current theory through the use of

logics and facts (Zhou, Shafiq, Adeel, Nawaz & Kumar, 2017). It is critical that the theory be interesting and have some logic behind it. As a result, the hypothesis must be founded on certain facts and must add value to current knowledge (Zhou et al., 2017). The first step of theoretical contribution is to define and build a broad approach to analyze the specific problems (Zhou et al., 2017). In this research, researcher has found a problem form the object of the research which is Instagram.

The second step of theorizing is centered on defining the larger framework to handle the observations (Zhou et al., 2017). The ideas or variables are specified and clarified at this level. This research provides literature review which all variables are being explained clearly. Which is social support, informational support, emotional support, perceived usefulness, social commerce intention and subjective norm. There is also theory of planned behavior and theory of reasoned action underlying the dependent variable and independent variable. The hypothesis is developed in the third step of thinking (Zhou et al., 2017). Researcher provide at least ten theories for each hypothesis which has been found from previous research to prove and strengthen the hypothesis made on this research.

After that, each hypothesis will be analyzed based on facts and statistics. This hypothesis formulation will establish a clear link between variables (Zhou et al., 2017). Variables, diagrams, data, hypotheses and references are five components that contributed to the development of a theory but are not part of the theory itself (Zhou et al., 2017). Diagrams are being used in this study to conclude

every discussion made in each chapter and data are analyzed through SPSS and SmartPLS for each variable and hypothesis testing. It is provided by conducting pilot study and actual study.

In this study, seven variables and eight hypotheses are being discussed. Last one is references, in this research all references are obtained by reading online articles, online books and journal. This study aims to make a theoretical contribution to international marketing theory regarding social commerce intention. It is described and discussed in a research design between the independent variables. The independent variables are social support, emotional support, informational support, subjective norm, trust and perceived usefulness. As a result, this research employs a purposive sample approach. It is limited to Instagram users who have previously made a purchase through Instagram promotion.

1.4.2. Practical Contribution

This research is expected to contribute practically by serving as a guide for marketers and brand managers worldwide in developing marketing strategies. Especially within the scope of the social commerce described that operate in Indonesia. Furthermore, the researchers hope that this research will help to giving a wide viewpoint for marketers in terms of creation and innovation. It will influence consumer judgment so that customers obtain satisfaction from the product. This research focuses on some factors affecting social commerce intention. Which is social support represented by informational support and

emotional support, other factors such as subjective norm, trust and perceived usefulness also included in this research.

This research is expected to be utilized by Instagram users to assess the intention of using social commerce. So, Instagram can identify the marketing and promotion methods provided to customers. Identification is made by allowing Instagram to gain advantage in market competition. The findings of this study are expected to raise Instagram's understanding of what its users want. It includes platform features and design. This research is estimated to support experience and knowledge for researchers. The purpose is to develop the capability to understand and investigate theories as a reference base. This study also assists researchers in developing a research framework, finding as many theories as the foundation for this research, analyzing which issues exist in Instagram and providing support by giving advice and recommendations to overcome problematic issues among Instagram users with hypothesis testing to produce a result to assist Instagram in finding the solutions.

This research also motivates Instagram marketers to encourage the intention of users to participate in social commerce platform such as Instagram. It builds a foundation where individuals can create a commercial environment which has supportive information also leads to an innovation for future environment. This practical contribution also giving assistance to have online marketing strategies so that businesses can have a strong foundation for their brand. This strategy also giving solutions to overcome potential risks that will threaten for social commerce activities in online platform.

As a result, this contribution can provide an effect towards social commerce intention, related to new users and businesses who want to engage in online platforms such as Instagram. It can also be used by any businesses who want to start expanding their businesses in online environment by giving information about the advantages and disadvantages of Instagram. So, any groups, individuals and companies who want to start to expand their business or users who consider buying a products or services using Instagram will easily understand the environment occurred in Instagram.

In conclusion, Instagram companies can utilize the analysis of this study as well as the results of this research to enhance and improve their platforms in terms of online environment, promotion and transactions development. This research expecting Instagram to develop more community inside the platforms and secure environment. As a result, it will lead to intentions to engage in the platform. This research also helps Instagram to understand the factors that lead to social commerce intention in Indonesia. Such as perceived usefulness, subjective norm and trust.

1.5. Research Outline

In this research, there are five chapters included to offer a clear and comprehensive explanation. Chapter one is an introduction of this research, chapter two is the literature review, chapter three is the research methods, chapter four is about research results and discussion and chapter five is conclusion and recommendations. Subchapter also included in each chapter. The first chapter

include research questions, research background, researcher contribution, research objectives and research outline. Chapter two discuss the literature review and explanation for each variable.

There are some sub-chapters in chapter two that explain the definition of each variable based on the research model used in this study. The relation between variables and the research model with the hypotheses also discussed in this chapter. Furthermore, the methodologies employed in this chapter will assist researchers in analyzing and determining any connections between each hypothesis. Chapter three outlines the procedures that will be utilized in this research such as type of research, data collecting, data analysis, and hypothesis testing.

Chapter four discuss the analysis of the obtained statistical data from online questionnaire. The questionnaire is distributed to several respondents with the criteria explained above. The last chapter which is chapter five outlines the study's results and suggestions. The conclusions are derived from the findings of the hypotheses that have been investigated as stated in chapter four. Furthermore, the ideas and recommendation in this chapter may be used for future research.

Chapter five will discuss the limitations of this research along with the recommendations for future research, conclusion from the data obtained, theoretical implications for future research and managerial implications for assisting Instagram as the research object of this research. And also, for other businesses with the same field with Instagram which is e-commerce.