THE EFFECT OF SOCIAL COMMERCE CONSTRUCT ON CONSUMER TRUST AND PURCHASE INTENTION

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Abstract: This research was motivated by problems related to Social Commerce Construct of e-commerce JD.ID in Indonesia. The negative comments (complaint) and low ratings on the rating and review feature on e-commerce JD.ID leads to a decrease in consumer trust and purchase intention of products at e-commerce JD.ID. This research aims conducted to determine the effect of Social Commerce Construct on Consumer Trust and Purchase Intention JD.ID e-commerce users in Indonesia. This research uses a quantitative method with a type of descriptive and causal research. The sampling technique is non-probability sampling type purposive sampling, with the number of respondents as many as 100 people. Data analysis techniques used descriptive analysis and path analysis. The results of this research show that: (1) Social Commerce Construct has a significant effect on Consumer Trust. (2) Social Commerce Constructs have a significant effect on Purchase Intention. (3) Consumer Trust has a significant effect on Purchase Intention. (4) Social Commerce Construct has an indirect effect on Purchase Intention through Consumer Trust.
Keywords: Social Commerce Construct, Consumer Trust, Purchase Intention

INTRODUCTION

Nowadays, technology continues to develop over time. In the modern era, technology is needed by a human to work effectively and efficiently. Among the development of technology, the internet takes a very big role in human life. Indonesia, the growth of internet users continues to increase every year.

In 2018, Asosiasi Penyelenggara Jaringan Internet Indonesia (APJII) in collaboration with the Indonesian polling survey agency released the results of a survey on internet users in Indonesia. The survey results show an increase in the number of internet users' penetration in 2018 where internet users reached 171,16 million or around 64,8% of the total of the Indonesian population which is 264,14 million people. It indicates that there is a growth of 27,9 million or around 10,12% of internet users compared to the previous year (Kama, 2018).

The increase in the number of internet users' penetration has an impact on people's beliefs and lifestyles when using the internet. One of the uses of the internet during the modern era is the application of the business field. This opportunity has been used by entrepreneurs to take advantage of switching its focus to online sales.

One of the companies that use the internet on its business is e-commerce called JD.ID. Officially operating in Indonesia since November 2015, JD.ID has been through a significant decrease in the number of visitors from 2017 until 2019, as it can be seen in Figure 1:
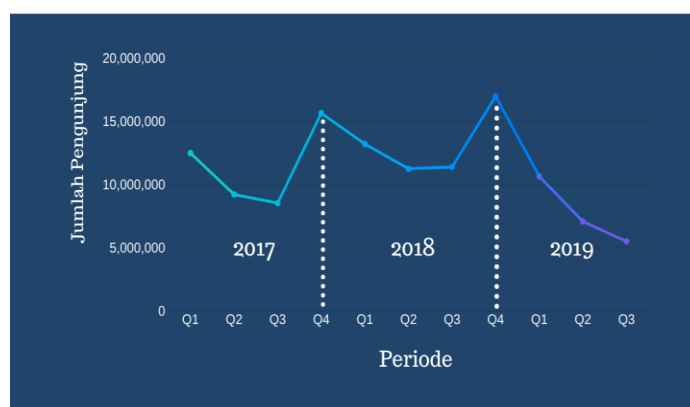
Figure 1. The Number of Visitors JD.ID
Source: processed data (2019)

It can be seen that in Q1 of 2017, the average number of JD.ID visitor was 12,5 million, meanwhile, in Q1, Q2, and Q3 of 2019, the number has been decreased to only 5,5 million visitors.

Based on the pre-survey to 30 respondents, the result shows that the independent variable which is the social commerce construct has the highest percentage with 76,7% respondents agreed on the statement about how the review feature on JD.ID contains many negative comments. Furthermore, on the dependent variable which is consumer trust and purchase intention, the statement that JD.ID is their main choice for e-commerce has the highest percentage of disagreement which is 83,3%.

Overall, consumers are feeling less interested in making purchases on JD.ID because they feel that most of JD.ID's sellers are not trustworthy, which the seller often not being honest when giving the information regarding the products they sell which can be seen on the features in the social commerce construct by JD.ID. One of its features is the rating and review feature that contains a lot of bad ratings and negative reviews. Based on the description above, therefore the research titled "The Effect of Social Commerce Construct on Consumer Trust and Purchase Intention (Study on e-commerce JD.ID users in Indonesia)" needs to be done.

One of the company's strategies in building consumers' buying interest is to adopt the social media concept in e-commerce, known as the social commerce construct. The development of technology encourages the emergence of new initiatives in creating social interaction using web 2.0 technology to e-commerce. Through this web 2.0 technology, individuals can interact and communicate with their colleagues through the social platform. Hajli (2015) defined social commerce construct as a social platform that emerged through the development of web 2.0 which empowers consumers to produce content and share their experiences.

In the context of online shopping, companies need to form and maintain consumers' trust because a business transaction between two or more parties occurs when there is trust between both parties. Consumer trust can be created by making sure that the delivered products have the same feature as the description or information advertised by the company. According to Siagian & Cahyono (2014), consumer trust is the expectation of consumers that the supplier of goods or services can be

trusted or relied upon fulfilling their promises.

Purchase intention is important to be created on consumers because consumers will not have any desire towards the products without it – which leads to no transaction that will ever happen. Kotler & Keller (2016) defined purchase intention as consumer behavior where they have the desire to buy or choose a product based on their experience in choosing, using and consuming or wanting a product. Consumers' desire to own a product depends on their knowledge of the information, quality, and benefit regarding the product itself. Purchase intention on consumers arises when they receive stimuli from the products that they have seen which they feel attracted to try or touch the product directly later on, which ended up in their desire to own or buy the product. According to Priansa (2017), purchase intention on the consumer is their desire to buy something which arises as to the result of some stimuli offered by the company.

This research adopts a study previously conducted by Renardy & Abdillah (2018) titled "The Effect of Social Commerce Construct on Consumer Trust and Purchase Intention (Survey on Undergraduate Students of the Faculty of Administrative Sciences Brawijaya University, on Making Online Purchase using Tokopedia Website)". The result of this study shows that there is a significant effect of social commerce construct variables on consumer trust and purchase intention. There is also an effect of social commerce construct to purchase intention through consumer trust.

Based on the description above, schematically the framework in this research can be described as follows:
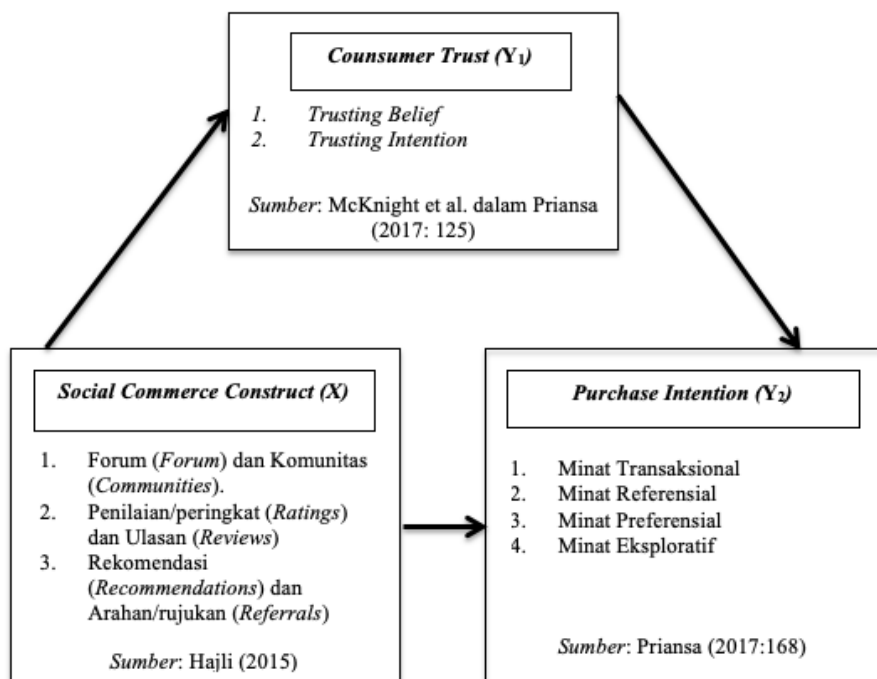

Figure 2. Framework
Source: processed data (2019)

The hypotheses of this research are described as follows.
1. There is an effect of Social Commerce Construct on Consumer Trust.
2. There is an effect of Social Commerce Construct on Purchase Intention.
3. There is an effect of Consumer Trust on Purchase Intention.
4. There is an indirect effect of Social Commerce Construct on Purchase Intention through Consumer Trust.

METHODS

This research uses descriptive research and causality by using a quantitative approach. This research consists of two types of variables. The independent variable in this research is Social Commerce Construct (X), meanwhile, the dependent variables are Consumer Trust (Y1) and Purchase Intention (Y2). The measurement scale for each variable uses in this research is the ordinal scale and the scale of the instrument is the Likert scale. The population in this research are people who use JD.ID e-commerce in Indonesia, whom the exact numbers are not known. The sample is 100 users of JD.ID e-commerce in Indonesia who visit e-commerce and have the intention to make a purchase. The sampling technique used is non-probability sampling with purposive sampling. The primary data in this research obtained by observation, pre-survey, and questionnaire, meanwhile the secondary data is obtained through books, literature, article, and website on the internet. The data analysis technique used is descriptive analysis and path analysis.
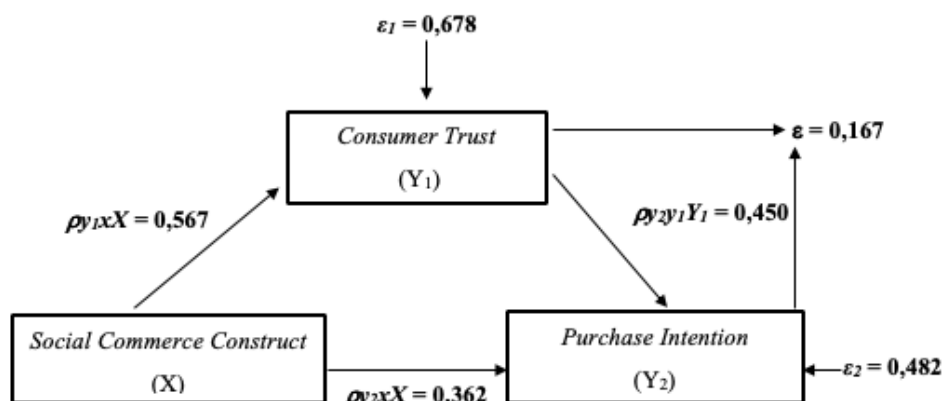
RESULTS AND DISCUSSION

Figure 3. The Result Sub-Struktur 1 dan Sub-Sutruktur 2
Source: processed data (2019)

The results of path coefficient on sub-structure 1 and sub-structure 2 as described as follows:
Structure 1 equation:
$Y_1 = \rho y_1 x X + \varepsilon_1$
$Y_1 = 0,567\ X + 0,678\ \varepsilon_1$
Structure 2 equation:
$Y_2 = \rho y_2 x X + \rho y_2 y_1 Y_1 + \varepsilon_2$
$Y_2 = 0,362\ X + 0,450\ Y_1 + 0,482\ \varepsilon_2$
Based on two pictures about, it can be concluded that the direct and indirect influence that happened between variabled are as follows:
Direct Influence X on Y_1
$= [\rho y_1 x]$ x $[\rho y_1 x]$
$= 0,567$ x $0,567$
$= 0,322$ atau 32,2%
Direct Influence X on Y_2
$= [\rho y_2 x]$ x $[\rho y_2 x]$
$= 0,362$ x $0,362$
$= 0,131$ atau 13,1%
Direct Influence Y_1 on Y_2

$= [\rho y_2 y_1] \times [\rho y_2 y_1]$
$= 0,450 \times 0,450$
$= 0,203$ atau 20,3%

Indirect Influence X on Y_2 through Y_1

$= [\rho y_1 x] \times [\rho y_2 y_1]$
$= 0,567 \times 0,450$
$= 0,255$ atau 25,5%

The Total of Influence

$= [\rho y_2 x] + ([\rho y_1 x] \times [\rho y_2 y_1])$
$= 0,362 + (0,567 \times 0,450)$
$= 0,617$ atau 61,7%

R^2 Model

$= 1 - (1 - R^2_1)(1 - R^2_2)$
$= 1 - (1 - 0,678)(1 - 0,482)$
$= 1 - (0,322)(0,518)$

$= 1 - 0,167$
$= 0,833$

The results of the calculation of the determination model explain that the structural relations between the three variables are 0,833 or 83,3%, while the remaining 0,167 or 16,7% was explained by other variables by other variables outside this research.

Based on the results of sub-structure 1 and sub-structure 2, the recapitulation for both results on the calculation of direct and indirect influence between the variable is as follows:

Table 1. Direct Effect and Indirect Effect

Variabel	Koefisien Jalur	Pengaruh		
		Langsung	Tidak Langsung	Total
X terhadap Y_1	0,567	32,2%	-	32,2%
X terhadap Y_2	0,362	13,1%	-	13,1%
Y_1 terhadap Y_2	0,450	20,3%	-	20,3%
X terhadap Y_2 melalui Y_1	-	-	25,5%	25,5%
Total Pengaruh	-	-	-	61,7%

Source: processed data (2019)

The Effect of Social Commerce Construct on Consumer Trust e-commerce JD.ID in Indonesia

This research aims to examine the effect of the Social Commerce Construct variable on Consumer Trust. Based on the results of path analysis, the Social Commerce Construct variable significantly influences the Consumer Trust of e-commerce JD.ID. This can be seen from T_{count} (6,821) > T_{table} (1,984) which shows Sig 0,000 < 0,05. The magnitude of the effect of Social Commerce Construct variable on Consumer Trust can be seen from the

calculation of the coefficient of determination: $R_{square}= 0,322$, or 32,2% consumer trust is influenced by social commerce construct and the remaining 67,8% is influenced by other variables outside this research.

The results are surely in-line with JD.ID e-commerce which has complete social commerce construct features such as product discussion, review, rating and product recommendation. These features can help users to obtain more complete information related to the product, see the rating and reviews of the product and seller, also getting

product references based on their interest.

According to Hajli (2014), trust can be supported by social commerce construct which includes social interaction from consumers which can increase their level of trust. The features of JD.ID e-commerce creates communication and interaction which can be taken into consideration when the consumer feel hesitates to purchase due to lack of trust to shop online. Before deciding to purchase, users can read the reviews and ratings of the product to see the quality of both the product and the seller.

The result of the research in-line with the research conducted by Hajli (2015), that Social Commerce Construct significantly and positively influences Consumer Trust.

The Effect Social Commerce Construct on Purchase Intention e-commerce JD.ID in Indonesia

This research aims to examine the effect of the Social Commerce Construct variable on Purchase Intention. Based on the results of path analysis, the Social Commerce Construct variable significantly influences the Purchase Intention of e-commerce JD.ID. This can be seen from T_{count} (4,230) > T_{table} (1,984) which shows Sig 0,000 < 0,05. The magnitude of the effect of Social Commerce Construct variable on Purchase Intention is 13,1% and the remaining 86,9% is influenced by other variables outside this research.

The results are surely in-line with JD.ID e-commerce which its social commerce construct features shows a lot of negative comments and low ratings. According to Hajli (2014), a social commerce construct is a tool for social media that allows users to interact and influence their desire to exchange commercial information and influence their purchase intention. Through the sharing activities regarding online shopping experiences on the rating and review features, it created communication between users which

can help other users in solving their problem whether they should buy the product or not. The ratings and reviews of the product will have a certain impact on user interest in the products or services offered by the company.

The number of complaints will give a negative impression to other users due to their consideration that the seller has no credibility and cannot be relied on. According to Heinonen in Hajli et al. (2017), ratings and reviews have the added value for other potential buyers, so if a review contains a negative comment then it will be a consideration for other consumers before deciding to make a purchase.

The result of the research in-line with the research conducted by Hajli (2015), that Social Commerce Construct significantly and positively influences Purchase Intention.

The Effect Consumer Trust on Purchase Intention e-commerce JD.ID in Indonesia

This research aims to examine the effect of the Consumer Trust variable on Purchase Intention. Based on the results of path analysis, the Consumer Trust variable significantly influences the Purchase Intention of e-commerce JD.ID. This can be seen from T_{count} (5,256) > T_{table} (1,984) which shows Sig 0,000 < 0,05. The magnitude of the effect of Consumer Trust variable on Purchase Intention is 20,3% and the remaining 79,7% is influenced by other variables outside this research, such as Ease Perception, Risk Perception, Price, Consumer Safety, Electronic Word of Mouth, Past Experience, Reputation, and Web Quality.

This is in-line with what JD.ID e-commerce experience, where the complaints that were shown on rating and review features regarding product quality and seller services are certainly visible and can be accessed by other consumers which cause doubt to other users, reduce trust and cause a lack of customer purchase intention. Priansa (2017) stated that a business that can

grow is a business based on trust. Therefore, companies need to form and maintain consumer trust because a business transaction between two or more parties occurs when there is trust between both parties. The higher consumer trust, the higher their purchase intention will be.

The result of the research in-line with the research conducted by Farki et al (2016) that Consumer Trust positively influences Purchase Intention to shop online.

Indirect Effect Social Commerce Construct on Purchase Intention through Consumer Trust e-commerce JD.ID in Indonesia

This research aims to examine the indirect effect of the Social Commerce Construct variable on Purchase Intention through Consumer Trust. Based on the results of path analysis, the indirect influence shown from the direct calculation on Social Commerce Construct to Consumer Trust with a path coefficient of 0,567 with a Sig. 0,000 and direct calculation on Consumer Trust to Purchase Intention with a path coefficient of 0,450 with a Sig. 0,000. The total yield on the multiplication between the two is 0,255 or 25,5%. The magnitude of the indirect effect of Social Commerce Construct variable on Purchase Intention through Consumer Trust is 25,5%.

This is in-line with what JD.ID experienced, where consumers' purchase intention can be supported by the quality of the social commerce construct that being created and how consumer trust formed through the reliability and credibility of the seller in meeting the consumer needs which may lead to purchase intention.

Hajli (2014) stated that trust can be supported by social commerce construct which includes consumer social interaction that can increase their trust. Moreover, social commerce construct is a tool for social media that allows users to interact and influence their desire to exchange commercial information and influence their purchase intention. The existence of complaints and low ratings in the rating and review features on the social commerce construct of e-commerce can cause a decrease in trust which also directly affects the decrease in consumer purchase intention.

The result of this research in-line with research conducted by H. Renardy & Abdillah (2018) that Social Commerce Construct significantly and positively influences Consumer Trust and Purchase Intention, also Social Commerce Construct and Consumer Trust significantly and positively influence Purchase Intention.

CONCLUSION

Based on the results of the research and the discussion that has been described, the conclusions to provide answers to the problem formulated in this research are as follows:

Based on the path analysis result, the Social Commerce Construct variable significantly influences the Consumer Trust on e-commerce JD.ID. The magnitude of the influence is 32,2%, which means consumer trust is influenced by social commerce construct aspects created by the company.

Based on the path analysis result, the Social Commerce Construct variable significantly influences the Purchase Intention on e-commerce JD.ID. The magnitude of the influence is 13,1%, which means the purchase intention is influenced by social commerce construct aspects created by the company.

Based on the path analysis result, the Consumer Trust variable significantly influences the Purchase Intention on e-commerce JD.ID. The magnitude of the influence is 20,3%, which means the purchase intention is influenced by consumer trust through the credibility and reliability of the seller or company in meeting the consumers' needs.

Based on the path analysis result, there is an indirect influence by Social Commerce Construct on Purchase Intention through Consumer. The magnitude of the influence is 25,5%, which means the purchase intention is influenced by social commerce construct aspects created by the company through consumer trust that exists between consumer and company, provided by the seller as a form of responsibility. It is recommended that e-commerce JD.ID can improve the quality of social commerce construct by filtering credible sellers which leads to building trust in consumers and attracts consumers' purchase intention toward the products or services offered that have been complemented by discounts and other special promotions.

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