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Social Media as a Phenomenon in the Digital Age

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Abstract:

This study focuses on knowing the influence of various personal factors (subjective norms, social media usability, perceived of risk, attitudes) to intentions and buying behavior online. This study uses 130 samples of Instagram users in DKI Jakarta. The analytical tool used is AMOS 20.0. To help better predict the application side of the model. Five hypothesized models are used to predict the effect of various factors on intentions and buying behavior online. Factors influencing online buying behavior mediated by online purchase intentions are subjective norms, social media usability, perceived of risk and attitude. This research can be a suggestion for online business actors to be able to formulate marketing strategies used to increase sales.

Keywords: Subjective norms, social media usability, perceived of risk and attitude, intentions and buying behavior online

1. Introduction

The development of technology, especially the internet today has many impacts, especially on consumer behavior. Based on data obtained from the Ministry of Communications and Information Technology of the Republic of Indonesia in 2016, Indonesia ranks sixth and 95% among the users of social media. The existence of social media is also widely used by providers of products and services to promote their products. The effectiveness of promotions made through social media becomes so high considering that consumers are demanding the ease and speed to get products or services (Rai, 2012). Types of products sold vary greatly ranging from durable goods such as clothing, household needs and so forth until non-durable goods such as durable food products until vegetables and fruit are also offered through social media. One of a social media that developed today and became a target to market the product is Instagram. Based on research results Latieff and Safiee 2015 states that Instagram is considered as a social media that can encourage people to follow the development of social accounts and it can encourage the development of a business. The existence of this Instagram is also used to promote tourism in Indonesia to be able to form the brand destination through photography Side (Fatanti & Suyadnya, 2015)

Based on CNN data in 2016 Instagram users reached 22 million and the number is possible to increase each year. The increase is a signal that Instagram is a social media that interest by the community. One of the most favored Instagram features of business actors is the creation of business accounts on Instagram accounts. The existence of these features provides benefits for business actors to get free promotion. The various facilities provided by Instagram is expected to be very helpful to encourage consumers to buy products or services through Instagram.

Some previous research has been done on factors that influence the decision to buy products online (Young, Mood and Hasan, 2015; Lim et al., 2016; Hasbullah, 2015). Factors considered to have an effect on online buying intentions and decisions include subjective norms, ease of use of social media, risks, attitudes toward social media, trust, behavior control, belief control, behavioral belief and so on. Subjective norms are the views of others that can influence a person to encourage others to behave in a certain way. The subjective norm is considered one of the predictors to encourage buying behavior (Jogiyanto, 2008). In addition to subjective norms, the ease factor of social media use is considered as one of the factors affecting the intention to buy online (Lim et al., 2016). This means that the easier social media used then the higher the intention of a person to buy online.

Factors supporting other online purchase intentions are risk perceptions, where the risks borne by consumers are numerous. Among them are functional, physical, social, time, psychological risk to financial risk (Schiffman and Kanuk, 2010: 202). The existence of online media certainly provide convenience for consumers but on the other side there are risks that must be faced. In a study conducted by Muda et al., 2015 there is a risk that the consumer does not affect the intention to shop online. In addition to risk, attitude becomes one of predictor of intention (Jogiyanto, 2008: 26). Attitude is formed from the personal experience and mindset of a person who will affect the intention. According to research conducted by Hasbullah et al., 2015 attitudes affect the intention to buy online. Where, these intentions affect the buying behavior online (Lim et al., 2016).

1.1. Theoretical Background

1.1.1. Underpinning Theories

1.1.1.1. Teori TRA (*Theory of Reasoned Action*)

The theory of reasoned action or so-called theory of reasoned action is one of the theories used in this study. Ajzen & Fishbein (1980) in Jogiyanto (2008: 25) found this theory by learning about attitudes (attitude) and behavior (behavior). According to the theory of reasoned action (TRA) this intention is a factor affecting an action. According to Dreana (2012) intention is the desire to perform behavior. Meanwhile, according to Lee (2009) intention is a measure of one's willingness to see the business when performing certain behaviors. Ajzen & Fishbein (1975) in Jogiyanto (2008: 26) intention is influenced from two factors, namely personal factors and social factors. Both of these factors have a positive effect on intention.

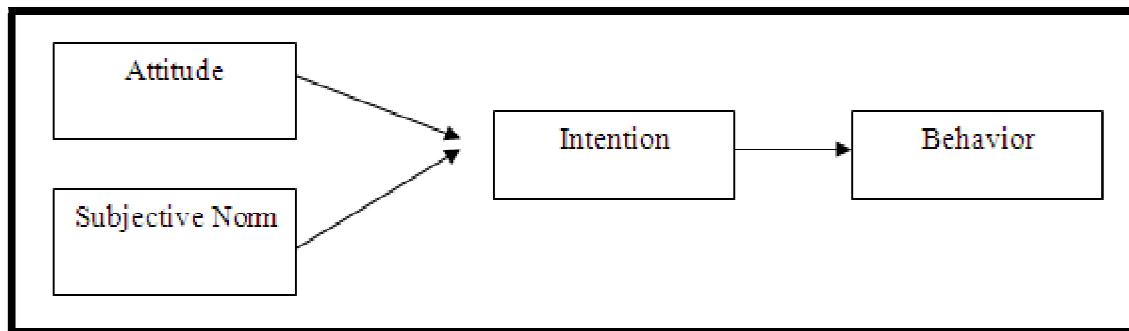


Figure 1: Theory of Reasoned Action (TRA)

1.1.1.2. Theory of Planned Behavior (TPB)

Theory of Planned Behavior (TPB) is a further development of the theory of reasoned action (TRA). Ajzen (1988) in Jogiyanto (2008: 61) developed this theory and added a construct not yet in the TRA. This construct is called the perceived behavioral control. Ajzen (1991) in Jogiyanto (2008: 61) defines perceptual behavior control as a perceived convenience or difficulty of behavior.

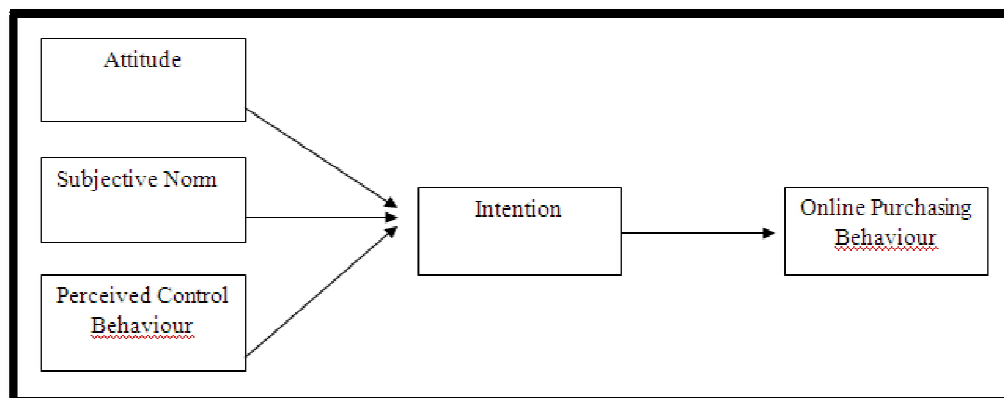


Figure 2: Theory of Planned Behavior (TPB)

1.2. The Relationship between Subjective Norm and Intention to Buy Online

The subjective norm is one of the predictors in the Theory of Reasoned Action (TRA) model expressed by Ajzen and Fishbein in 1975 (Jogiyanto, 2008). The subjective norm is a person's perception of the opinion of others influencing the intention to do something that is being considered (Dreana, 2012). Ajzen & Fishbein (1975) in Jogiyanto (2008: 43) attitudes and subjective norms affect the intention, so to predict the behavior of online purchases then first studied the influence of subjective norms on behavior. Research conducted by Lim et al., 2016 states that the norms of subjectiveness have an influence on the intention to buy online.

1.3. The Relationship between Social Media Usability and Intention to Buy Online

Ease of use of social media is one determinant of the intention to buy online. Results of research conducted by Hasbullah et al., 2015 states that young people in Malaysia have a desire to shop online if the company has a website that is

easier to use. In this case the existence of the website more leads to easy to use social media. Research Ardyanto et al., 2015 also supports the results of research conducted by Hasbullah et al., 2015.

1.4. *The Relationship between Perceived Risk and Intention to Buy Online*

According to Featherman et al., (2010), in particular the perception of risk is the assessment of a customer's subjective evaluation of the potential loss of private confidential privacy information, including the assessment of potential misuse of information that may lead to identity theft. There are some alarming risks such as performance disruption, time spent, current state of the security system, and security guarantees (Cunningham, et al., 2005). Where, such risks are likely to emerge and may harm consumers.

1.5. *The Relationship between Attitude and Intention to Buy Online*

Attitude is a tendency to behave in a fun way or not towards a particular object (Schiffman and Kanuk, 2010: 222). According to Simamora 2012 attitude consists of three components, namely cognitive, affective and konatif, where the connective dimension is related to the tendency of an individual to behave on an object. This online shopping attitude is basically a person's response to the purchase transaction activity. This means that the more a person has a positive attitude and view of Instagram it will affect the intention to buy online.

1.6. *The Relationship Intention to Buy Online and Online Purchasing Behavior*

Intention is the desire to conduct behavior (Jogiyanto, 2008: 25). Based on the theory of reasoned action (TRA) to predict a person's behavior can be seen from the intention, therefore in this study the intention to buy online is considered as the main determinant of online buying behavior. Based on research conducted by Lim et al., 2016 that online purchasing behavior is influenced by the intention to shop online.

2. Method

This research is a quantitative research where the data comes from primary data obtained from respondent, while secondary data is obtained from books and data published by authorized institution. Sampling method is done by non-probability sampling with purposive sampling with 130 samples. Respondent in this research is social media user of Instagram and never make online purchase after seeing advertisement of product or service advertised in Instagram. In analyzing the data used structural equation modeling method with AMOS 21.00. The following is a goodness of fit model that will be used to evaluate the model of measurement and structural.

Chi-Square	< 0,05
CMIN/DF	<0,02
RMSEA	0,05-0,08
AGFI	>0,90
GFI	>0,90
TLI	>0,90
P-Value	***

*Table 1: Goodness-of-Fit Model Criteria
Source: Ghozali (2008:66)*

The significant level used in this research is 5% so the trust level of this research result is 95%. Therefore, the testing criteria for hypothesis is done by comparing the significance value. If the value is significantly assessed 5% to 1% then the hypothesis is accepted. Here is a research model used in this study:

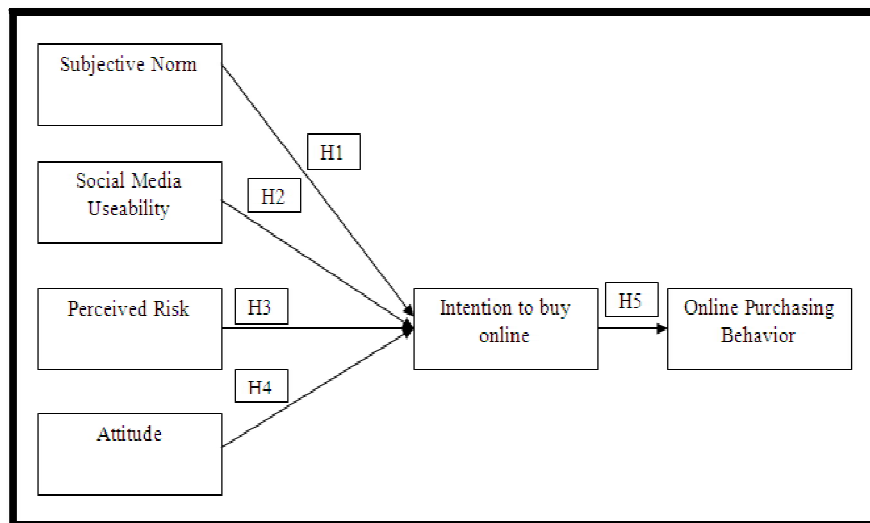


Figure 3: Theoretical Framework

2.1. Finding and Discussion

2.1.1. Validity Test and Reliability Test

Pilot study was conducted to ensure that the statements used to measure the variables in this study. Initial questionnaire distributed to 30 respondents, then done invalidates the reliability with SPSS analysis tools 19.00. After the data is processed factor loading value as indicator of validity has value above average that is 0,5. In addition to the validity test is also tested reliability with reference to the value of Cronbach's alpha with values above 0.6. Therefore, the whole revelation used in the pilot test can be used for large samples.

After all indicator variable passed pilot study, questionnaires were distributed to a large sample of 130 respondents who were active users of Instagram and had purchased products promoted through Instagram. The following is the result of validity test and reliability test from 130 respondents:

No.	Variable Indicators	Factor Loadings	Test Result
1.	SN1	0.768	Valid
	SN2	0.793	Valid
	SN3	0.768	Valid
2.	SMU1	0.860	Valid
	SMU2	0.783	Valid
	SMU3	0.905	Valid
3.	PR1	0.788	Valid
	PR2	0.722	Valid
	PR3	0.660	Valid
4.	ATT1	0.802	Valid
	ATT2	0.855	Valid
	ATT3	0.878	Valid
	ATT4	0.745	Valid
5.	INT1	0.794	Valid
	INT2	0.669	Valid
	INT3	0.879	Valid
6.	OPB1	0.823	Valid
	OPB2	0.943	Valid
	OPB3	0.671	Valid

Table 2: Test Result Validity

No.	Variables	Cronbach's Alpha	Test Result
1.	SN	0.678	Reliable
2.	SMU	0.798	Reliable
3.	PR	0.615	Reliable
4.	ATT	0.833	Reliable
5.	INT	0.680	Reliable
6.	OPB	0.744	Reliable

Table 3: Test Result Reliability

Based on the results of validity test and reliability test conducted by using SPSS program obtained the result that all indicators of variables can be used to measure the variables to be measured in this study. This is apparent on the validity test results where all the variable indicators have factor loading above 0.5 so it is stated that the indicator of all variables in this research is validated. The next test result is the reliability test to know the consistency of the indicators used in measuring the variables in this study. The result of the reliability test is done by referring to the value of Cronbach's alpha where all the variables have Cronbach's alpha value above 0.6 so that the indicator of the variable is stated to have passed the reliability test.

2.2. Measurement Model Fit

According to Santoso (2015) the purpose of this test is to find out how exactly the manifest variables that can explain the latent variables that exist, but the first step in testing the measurement model is to first test whether the model we use fit.

No	Goodness of Fit	Cut-of Value	Result	Model Evaluation
1	Chi-Square	< 0,05	296,429	Good
2	CMIN/DF	<0,02	4,175	Good
3	RMSEA	0,05-0,08	0,115	Good
4	AGFI	>0,90	0,786	Marginal
5	GFI	>0,90	0,855	Marginal
6	TLI	>0,90	0,805	Marginal
7	P-Value	>0,90	**	Good

Table 4: Index Goodness of Fit Measurement Model

2.3. Structural Model Fit

The Structural Model test is an advanced stage after the Measurement Model Test. At this stage the researcher will test the estimate structural parameter, i.e. the relationship between the construct or the independent-dependent variable present in the structural model (Santoso, 2015). Based on the goodness of fit test result, it shows that the research model is worth to be used (goodness of fit) although the index of GFI and AGFI shows the marginal level of a model because the value of TLI, CFI, CMIN / DF, RMSEA, Chi Square, Significance Probability is good.

No	Goodness of Fit	Cut-of Value	Result	Model Evaluation
1	Chi-Square	< 0,05	296,429	Good
2	CMIN/DF	<0,02	4,175	Good
3	RMSEA	0,05-0,08	0,105	Good
4	AGFI	>0,90	0,786	Marginal
5	GFI	>0,90	0,865	Marginal
6	TLI	>0,90	0,795	Marginal
7	P-Value	>0,90	**	Good

Table 5: Index Goodness of Fit Structural Model

3. Discussion

The results of this study support Theory Reasoned Action (TRA) and Theory of Planned Behavior (TPB) in predicting consumer behavior, especially in online purchasing behavior. Based on table 4. Subjective norms have an effect on the intention to buy online. It can be seen from the value of the existing critical ratio with a value of 2.230 value is more than the existing standard table of ± 1.96 so it can be said that subjective norms affect the intention to buy online. Subjective norm owned by consumers formed from view Others to online purchases that can ultimately affect the decision-making. The better one's view of online shopping then the higher the intention to make purchases online. This is an important input for online service providers that they should be able to generate consumer trust through the opinions of others obtained from quality services and testimonials from customers who have purchased products or services. Testimonials in social media Instagram is usually published continuously by producers to form a positive subjective norm for customers and this needs to be done

continuously. Even in its development, customer testimonials are supported with product photos. The results of this study support the results of previous research conducted by Hasbullah et al., 2015.

Social media usability has an influence on the intention to use buy products online. The result is seen in the critical ratio value of 2.104 which is higher in value than the table of ± 1.96 . The more user friendly various Instagram features then it will further increase the intention to buy a product. The business features of Instagram are very easy to use from apps to posts to insta stories can be easily done by social media users. This is certainly very helpful in promoting the products or services offered. The results of this study support the results of previous studies conducted by Hasbullah et al., 2015 and Ardyanto et al., 2015.

The third hypothesis that risk perception negatively affects the intention to buy online. Based on the critical ratio value of 2.167 is greater than the table of ± 1.96 so that the third hypothesis accepted. Risk is an avoidable one but cannot be eliminated. But the risk in using social media Instagram does not involve a big risk to consumers. This happens given that Instagram users can better see the track record of the seller from testimony equipped with photos so as to help reduce the risk of buying products online. In order for consumers to increase their confidence in the online store, the seller also prepares the website address available on the biodata feature of the account owner.

Unsupported hypothesis is the fourth hypothesis that the effect of attitudes on the intention to buy online. Attitude is a tendency to behave in a fun way or not towards a particular object (Schiffman and Kanuk, 2008: 222). That is, attitudes possessed to social media Instagram does not affect one's intention to shop online. The results of this study differ from the results of previous studies conducted by Hasbullah et al., 2015.

Meanwhile, the intention to buy online affects online buying behavior. This means that subjective norms, social media usability and risk perceptions have a direct influence on online purchasing decisions with mediated intention to buy online. Therefore, for sellers who promote their goods / products online should pay attention to subjective norms, take advantage of the ease of use of social media Instagram and pay attention to ways to give a sense of trust for consumers so that the intention to buy increases and finally the online buying behavior can occur. The results of this study support previous research conducted by Lim et al., 2016. Here is a summary of the results of this study:

No.	Exogenous → Endogenous	Estimate	Critical Ratio	Significance Level	Hypothesis
1	Subjective Norm -> Purchase Intention	0,253	2,230	***	Supported
2	Social Media Usability-> Purchase Intention	0,453	2,104	***	Supported
3	Perceived Risk -> Purchase Intention	0,175	2,167	***	Supported
4	Attitude → Purchase Intention	4,005	0,442	*	Not Supported
5	Purchase Intention → Online Purchasing Behavior	0,123	8,988	***	Supported

Table 6: Summary of Research Result

4. Conclusion

The results of this study largely support Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB). This result is evidenced by only one hypothesis rejected from the five proposed hypotheses. Attitude has no effect on intention to make a purchase online, this is seen from the critical ratio value that is below ± 1.96 . Limitations of this research lies in the number of samples only 130 people so that the results are difficult to use to generalize the results of research.

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