

Customers Purchase Intention in Social Commerce: A Descriptive Study

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ABSTRACT

As the use of the internet has become massive, social networking sites cannot be separated from the lives of Indonesian people. Social networking sites have succeeded in facilitating online business activities. That fact drives social networking sites to transform their function and features to become a rival of electronic commerce. We call this transformation social commerce. Social commerce can help customers to do online shopping on social media without losing other features of social media. The advantages of social commerce encourage platform managers and entrepreneurs to optimize this platform. Purchase intention of customers is an important aspect to increase the number of purchases in the social commerce platform. This study was conducted to analyze the characteristics and purchase intentions of Indonesian social commerce customers. By knowing those things, platform managers and entrepreneurs will gain better insight and create strategies to get benefits from social commerce. This research was conducted by using a descriptive study. 250 data were collected using an online questionnaire. The results show that the majority of social commerce customers are women. The majority of customers are aged 22 until 30 years old. Most of them are students who spend less than 500,000 Rupiah in one month to buy something in social commerce. Those customers do online shopping by using social commerce about 2-3 times per month with fashion as the most preferred product to purchase. Most of them use Instagram as the most efficient social commerce platform.

Keywords: Customer Purchase Intention, Social Media, Social Commerce, Descriptive Analysis

1. INTRODUCTION

The Globalization Era drive the rapid development of technology and causes changes in the lifestyle and the way of thinking of Indonesian people [1]. The massive flow of information in terms of communication, social, economic, and trade is the main factor that influences the changes in the lifestyle of the Indonesian people [2]. As many as 96 percent of Indonesian internet users have searched for products or services to do online shopping and have spent US\$20,3 billion (288,8 trillion Rupiah) to shop online in 2018 [3]. Most Internet users will certainly use Social Network Sites (SNSs). SNS has been integrated into almost all people's lives, ranging from information, communication, and education. The presence of SNS can be useful in the online trading process if it is done properly as the use specific feature of SNS can attract customers [4].

In the meantime, social networking sites began to transform as it has the feature to make them similar to electronic commerce (e-commerce). This kind of transformation is called social commerce (s-commerce), which refers to the use of technology by utilizing social media Web 2.0 to support online interactions and help users to obtain products or services [5]. Social commerce

applies the purpose of shopping while socializing with other people such as sharing information on social networking sites [6]. Social commerce platforms have more complex communication (conversation) feature to make seller interact with their buyers.

In social commerce, there is a catalog of products that are sold with a wide variance of contents as promotional materials that can be enjoyed by buyers such as Instagram feeds. By using social networking sites, the seller can reach consumers to promote and offer their products in new ways. This media has a great advantage for the seller in reaching their consumers, as social networking sites are often used by the Indonesian people. The most common social commerce that is often used by Indonesian people are Facebook, Instagram, WhatsApp, and Carousell [7].

In 2017, the Gross Merchandise Value (GMV) of social commerce was US\$ 3 billion (42,9 trillion Rupiah) and projected to reach about US\$ 25 billion (357,5 trillion Rupiah) for 2022 [8]. The great amount of value from social commerce can be utilized by platform managers and entrepreneurs who use social commerce as a platform to promote their business by optimizing the feature and potential of social commerce. One important thing that needs to be a consideration to increase the

potential of social commerce, is understanding the desire of customers by identifying the changes in consumer behavior. Purchase intention is one aspect of consumer behavior that is important for the seller in conducting their business.

Purchase intention is the final decision from customers whether they want to do online shopping on social commerce platforms. Purchase intention is important in social commerce as buying products and services online is still considered risky compared with direct shopping [9]. Therefore, an analysis to get insight into the characteristics and purchase intentions of Indonesian customers by using social commerce platforms needs to be conducted. This analysis will optimize the great potential of social commerce platforms.

2. LITERATURE REVIEW

2.1. Social Media

Social media is a relatively new platform and instrument that have functions to allow people to collaborate and communicate with each other with various types of interactions that have never existed before in people's daily lives [10]. Social media use the internet to make people interact with other people who are far away. Social media has several functions, including as media to sharing ideas, sources of information, and marketing tools. However, the use of social media also shifted as a platform to allow the seller to interact with customers [11].

2.2. Social Commerce

Social commerce refers to activities and transactions that are almost similar to electronic commerce but using the social media platform, where most of selling and promotion activities are conducted by using social networks who connected by using the internet [12]. Social commerce is a description of social media based on the internet which has a role for someone to be able to participate actively, especially in marketing activities and selling a product in an online market [13]. There are four main components of social commerce, people who carry out buying and selling transactions, conversations or exchanges of information, communities that can be seen through each social media user networking, and the buying and selling transaction itself. It differs from electronic commerce that does not need conversations or exchanges of information and user networking.

2.3. Social Commerce in Indonesia

In Indonesia, 40 percent of people relying their lives on online shopping activities through social media [14]. That number is less than the percentage of electronic commerce users. But, social commerce penetration will

be predicted to increase became 83 percent of internet users by 2022. Social commerce in Indonesia has socio-economic impacts including, job creation, financial resources, and social equality [15].

2.4. Purchase Intention

Purchase intention is one aspect of consumer behavior that arises from experience in choosing, determining, and consuming a product that stimulates a sense of desire to choose and even buy products and services [16]. Purchase intention can be analyzed from the sense of initiative and motivation to buy products or services. Purchase intention is a behavior that is based on the actions planned by consumers in a certain period to buy a product in terms of quality and quantity.

3. RESEARCH METHODOLOGY

This study was conducted by using descriptive analysis with a quantitative approach to determine the demographics and the influence of social commerce usage based on the characteristics of social commerce users in Indonesia. The data were collected using a multiple cross-sectional which is a design to take several different groups of respondents [17].

3.1. Data Collection Method

This study uses a non-probability sampling technique with a convenience sampling method. This study uses 250 respondents who are social media users in Indonesia whoever to do online shopping through social commerce platforms: Facebook, Instagram, WhatsApp, and Carousell. Those respondents are a minimum of 17 years old. Data was collected by using an online survey in Google Forms.

3.2. Method for Data Analysis

After the data is collected, descriptive analysis is conducted by using a demographic and cross-tabulation analysis approach. The cross-tabulation analysis will use demographic variables and the usage of social commerce platforms: frequency of online shopping in one month, social media that is often used for online shopping, average monthly expenditure for online shopping, and motivation to do online shopping.

4. RESULT

4.1. Demographic Analysis

Demographic analysis was conducted to get an overview of demographics users who have shopping experience through Indonesian social commerce. From, 250 collected data, only 246 data will be used as 4 data

did not pass the screening process. The demographic data of respondents is shown in Table 1.

Table 1 shows that the majority of respondents are young people that contribute about 97.97% with the respondent aged 17 to 21 years old are 111 (45.12%) and respondents aged 22 to 30 years old are 130 (52.85%). We also knew that majority of the respondents are women (71.54%). Most of the respondents are reside in Java Island and contribute 89.43% of respondents with West Java 71 respondents (28.86 %), DKI Jakarta 64 respondents (26.02%), East Java 54 respondents (21.95%), Banten 14 respondents (5.69 %), Central Java 12 respondents (4.88), and Yogyakarta 7 respondents (2.85 %). Most of the respondents are students with 66.97 %. 49 respondents (19.92 %) are private employees as the second-highest occupation of respondents.

Table 1. Demographic of Respondents

Demographic Information	Frequency	Percentage (%)
Age		
17-21 years old	111	45.12
22-30 years old	130	52.85
31-50 years old	5	2.03
Total	246	100
Gender		
Female	176	71.54
Male	70	28.46
Total	246	100
Province		
West Java	71	28.86
DKI Jakarta	64	26.02
East Java	54	21.95
Banten	14	5.69
Central Java	12	4.88
Yogyakarta	7	2.85
North Sulawesi	7	2.85
Bali	3	1.22
Central Kalimantan	2	0.81
East Kalimantan	2	0.81
North Kalimantan	2	0.81
Riau	2	0.81
Southeast Sulawesi	2	0.81
West Kalimantan	1	0.41
South Borneo	1	0.41
Maluku	1	0.41
West Sulawesi	1	0.41
Total	246	100
Occupation		
Students	164	66.67
Private Employees	49	19.92
Freelancers	14	5.69
Entrepreneurs	8	3.25
Government Employees	3	1.22
Others	8	3.25
Total	246	100

4.2. Crosstab Analysis

Crosstab analysis aims to identify the relationships of the variable by crossing several variables, thus the results of this analysis can be related to the respondent behavior. In this study, three cross-tabulations were carried out which were obtained from demographics, social commerce usage, and indicators that were related to the respondents' behavior. Crosstab analysis 1, 2, and 3 are shown in Table 2, 3, and 4 respectively.

Table 2. Crosstab Analysis 1

Age	Social Commerce Used	Monthly Spending for Online Shopping in Social Commerce						Total
		Rp 500,000 <	Rp 500,000 - Rp 1,000,000	Rp 1,000,001 - Rp 1,500,000	Rp 1,500,001 - Rp 2,000,000	Rp 2,000,001 - Rp 2,500,000	Rp 2,500,000 >	
17-21 years old	Carousell	6	2	1	0	0	0	9
	Facebook	6	1	0	0	0	0	7
	Instagram	55	22	3	4	0	1	85
	WhatsApp	7	2	0	1	0	0	10
Total		74	27	4	5	0	1	111
22-30 years old	Carousell	4	4	1	1	0	1	11
	Facebook	6	1	2	0	0	1	10
	Instagram	48	26	6	3	2	8	93
	WhatsApp	13	2	0	0	1	0	16
Total		71	33	9	4	3	10	130
31-50 years old	Carousell	0	0	0	0	0	0	0
	Facebook	1	0	0	0	0	0	1
	Instagram	2	0	0	0	0	1	3
WhatsApp	1	0	0	0	0	0	1	
Total		4	0	0	0	0	1	5
Total	Carousell	10	6	2	1	0	1	20
	Facebook	13	2	2	0	0	1	18
	Instagram	105	48	9	7	2	10	181
	WhatsApp	21	4	0	1	1	0	27
Total		149	60	13	9	3	12	246

Table 2 shows that respondents are more likely to choose Instagram as social media to do online shopping with most of them spend less than 500,000 Rupiah each month. From Table 2, we know that the order of most popular to least popular social commerce are Instagram, WhatsApp, Carousell, and Facebook. For each age category, Instagram is the most popular social commerce. However, Facebook who is least popular for the 17-21 age category and the 22-30 age category is better than Carousell in the 31-50 age category. But the difference is only 1 respondent.

For all social media platforms, most of the respondents who use each social commerce spend less than 500,000 Rupiah each month. For each group category, most respondents spend less than 500,000 Rupiah each month. The second highest frequency of

spending for the age 17-21 category and the age 22-30 category are 500,000 until 1,000,000 Rupiah in one month. But, in the age 22-30 category, the number of respondents who spend more than 2,500,000 Rupiah one month for Social Commerce is higher than the number of respondents who spend 1.000,001 until 1,500,000 Rupiah, 1.500,001 until 2,000,000 Rupiah, and 2.000,001 until 2,500,000 Rupiah. This is different with the age 17-21 category.

The majority of respondents in the age range of 17-21 years who contribute to the most of respondents, use Instagram and most of them spend less than 500,000 Rupiah each month. This finding is in line with facts that from Table 4 that almost all of the respondents for the age of 17-21 years are students or college students with 88.29%. Students and college students usually do not have sufficient income to fulfill their desire to do online shopping as most of them do not have a stable job. So, they do not have purchasing power.

Table 3. Crosstab Analysis 2

Gender	Favorite Product	Buying Frequency in 1 Month				Total
		1	2-3	4-6	> 6	
Male	<i>Fashion</i>	18	25	2	0	45
	<i>Gadget</i>	1	4	0	0	5
	<i>F&B</i>	2	3	0	0	5
	<i>Care/Beauty</i>	5	5	0	0	10
	<i>Etc.</i>	1	2	0	2	5
Total		27	39	2	2	70
Female	<i>Fashion</i>	24	48	19	6	97
	<i>Gadget</i>	2	8	6	1	17
	<i>F&B</i>	6	9	6	0	21
	<i>Care/Beauty</i>	9	16	4	1	30
	<i>Etc.</i>	3	5	2	1	11
Total		44	86	37	9	176
Total	<i>Fashion</i>	42	73	21	6	142
	<i>Gadget</i>	3	12	6	1	22
	<i>F&B</i>	8	12	6	0	26
	<i>Care/Beauty</i>	14	21	4	1	40
	<i>Etc.</i>	4	7	2	3	16
Total		71	125	39	11	246

Table 3 shows us that most of the respondents buying 2 until 3 times in one month. It also applies to both gender as most men and women buying 2 until 3 times in one month in social commerce. But, there are different behavior for men and women as only 5.71% of men respondents buying more than 3 times in one month. It contrasts with women who 26.14% of respondents buying more than 3 times in one month. So we know that women have a tendency to make more purchases in one month. For men and women, both of them choose fashion as the most preferred product and care/beauty as the second choice.

The majority of respondents in this study were women because there is a sense of personal obsession that

is usually done by women by shopping to please themselves. Fashion and care/beauty are the most and second preferred products for both men and women. This fact could happen as there is a change of lifestyle because of the rapid development of technology. The change of lifestyle also influences the change of consumer behavior as fashion and care/beauty is not only popular for women but also popular for men. As the changing era that forces everyone to be up to date with the current trends, a man needed to pay attention to their fashion and beauty.

Table 4. Crosstab Analysis 3

Age	Occupation	Motivation					Total
		Many options	Efficient	Affordable Price	Discount Offer	Easy to use	
17-21 years old	<i>Freelancer</i>	0	1	0	0	0	1
	<i>Private</i>	3	2	1	0	3	9
	<i>Employees</i>	24	28	10	23	13	98
	<i>Students</i>	1	1	0	0	0	2
	<i>Etc.</i>	0	1	0	0	0	1
Total		28	33	11	23	16	111
22-30 years old	<i>Freelancer</i>	3	0	4	3	2	12
	<i>Government</i>	0	1	0	1	1	3
	<i>Employees</i>	2	15	3	8	11	39
	<i>Private</i>	15	15	14	12	9	65
	<i>Students</i>	0	2	0	1	2	5
Total		20	35	21	27	27	130
31-50 years old	<i>Freelancer</i>	0	1	0	0	0	1
	<i>Private</i>	1	0	0	0	0	1
	<i>Employees</i>	0	1	0	0	0	1
	<i>Students</i>	0	1	0	0	0	1
	<i>Etc.</i>	0	1	0	0	0	1
Total		1	4	0	0	0	5
Total	<i>Freelancer</i>	3	2	4	3	2	14
	<i>Government</i>	0	1	0	1	1	3
	<i>Employees</i>	6	17	4	8	14	49
	<i>Private</i>	39	44	24	35	22	164
	<i>Students</i>	1	4	0	1	2	8
Total		49	72	32	50	43	246

Table 4 show us that almost all respondents of age 17-21 category are students, with only 13 respondents or 11.71% have occupation other than students. Whereas, 65 respondents or 50 % for age 22-30 category have occupation other than students and 4 respondents or 80 % for age 31-50 category have occupation other than students.

In general, most respondents choose social commerce because of its efficiency. For the student who is the majority of respondents, 44 of them (26.83%) use social commerce because it's efficiency, 39 of them (23.78%) use social commerce because of many options of products and sellers, and 35 of them (21.34%) use social commerce because there are discounts that offered by the seller. For the private employee who is the second majority of respondents, 17 of them (34.69%) use social commerce because of its efficiency, and 14 of them (28.57%) use social commerce because of the easiness to use it.

For age 17-21 category, 33 of them (29.73%) use social commerce because of its efficiency, 28 of them (25.23%) use social commerce because of many options of products and sellers, and 23 of them (20.72%) use social commerce because there are discounts that offered by the seller. For the age 22-30 category, 35 of them (26.92%) use social commerce because of its efficiency, 27 of them (20.77%) use social commerce because of the discount offered by the seller, and 27 of them (20.77%) use social commerce because the easiness to use it. For the age 31-50 category, 4 of them (80%) use social commerce because of its efficiency and 1 of them (20%) use social commerce because of many options of products and sellers.

The majority of respondents aged 17-21 years who are students prefer efficiency as a motivational reason to do online shopping on social commerce platforms. The majority of respondents choose efficient reasons as their motivation to do online shopping because the use of online platforms of social commerce is very practical and does not take a long time so it saves time to make transactions. Furthermore, the reason that efficiency is the greatest motivation to do online shopping in social commerce platforms in this study is consumers could compare product's quality and price easily from different sellers.

5. DISCUSSION & CONCLUSION

5.1. Discussion

Based on the results of the analysis, social commerce users in Indonesia who often use social media to shop online are dominated by women, who buy products or services 1 to 6 times in one month on social commerce platforms. Most of them buying products or services 2 – 3 times in one month but have the potential to buy 4 until 6 times in a month. Therefore, Indonesian social commerce entrepreneurs can focus on this segmentation and implementing their marketing features or programs. This recommendation can be done by providing promotions or special offers such as free or discounted product shipping costs obtained through vouchers for

those in big cities on the island of Java or even product discounts given if consumers have participated in promoting the store in social commerce, accordingly that there is the interest that arises to buy the product and increases consumer loyalty broadly.

Most social commerce users in Indonesia live on Java Island as the infrastructure in Java supporting the massive growth of social commerce usage. This fact is important for the seller as it could be an opportunity or a threat for the seller. Besides that, we find that Instagram is the most popular social commerce platform. Social commerce entrepreneurs could maximize this platform to do their business as social commerce users in Indonesia mostly use Instagram as it is very efficient and has a good interface.

Almost all social media commerce users are young people with a maximum age of 30 years old and most of them came from people aged 22 to 30 years old. Furthermore, in the demographic analysis was found that the majority of respondents came from students. This fact could be used by platform managers and Indonesian social commerce entrepreneurs to make promotion by sponsoring or participating in events that focused on young people or events that collaborate with educational institutions such as high schools or universities. This kind of promotion will unfold a wider market and increase the exposure of their business and also the usage of n social commerce platforms in Indonesia. Besides that, as most of the social commerce user in Indonesia is young people and students, social commerce entrepreneur needs to pay attention to price as the young people and student usually has low purchasing power. This finding is supported by the fact that most social commerce users in Indonesia spend less than 500,000 Rupiah in one month. Social commerce entrepreneurs need to offer the inexpensive product or price discounts.

The results of the analysis also show that there is a difference in consumer buying frequency in one month. This can make Indonesian social commerce entrepreneurs give discounted prices to their consumers who have shopped at least several times the shopping frequency set by the owner using vouchers obtained through QR Code or invitation letters. The application of the price bundling strategy to several products that are sold packaged can also be done in order to increase profits from online stores and increase customers' purchase intention and loyalty. In addition, platform managers and Indonesian social commerce entrepreneurs can also work together in building an entertainment event by giving rewards or giveaways to consumers who win the event with the aim of expanding their reach to consumers.

We also find that different age groups and different occupations of social media users have a different distribution of motivation to use social media to do online shopping. Therefore, social commerce entrepreneurs must determine who are their customers. Then, they must adjust their marketing and promotion strategies to facilitate customer needs and increase the motivation of their customer to buy their products or services.

5.2. Conclusion

This study was conducted using descriptive analysis with demographic and crosstab analysis to unveil the characteristic of social commerce users in Indonesia. This study finds that the majority of social commerce user in Indonesia is women. Most of the social commerce users in Indonesia is young people aged until 30 years old with people aged 22-30 years old have contributed the higher number of social commerce user. We also find that most of them are a student and spend less than 500,000 Rupiah in one month to buy products or services in social commerce platform.

Most of the social commerce users in Indonesia live on Java Island and most of them use Instagram as a favorite social commerce platform. Besides that, most of them buying products or services in social commerce 2 until 3 times in one month. Their favorite product when doing online shopping on social commerce platforms is fashion products. We also find that different age groups and different occupations of social commerce users have different motivations to make a purchase on social commerce platforms.

AUTHORS' CONTRIBUTIONS

Prahardika Prihananto is the corresponding and main author of this article. He is the leader of research team that supports the organization of this article.

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