

THE INFLUENCE OF SOCIAL MEDIA, TRUST, AND PURCHASE DECISIONS ON CUSTOMERS' BUYING INTEREST

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ABSTRACT

This study discusses the influence of social media, trust, and purchasing decisions on consumer buying interest who is entering the era of globalization with rapidly developing technology. With this research, it can be seen that there are advantages in marketing through social media which can optimize marketing with the influence of social media in order to develop marketing strategies. In addition, there are also methods from the research model and methodology used in this study, which are based on previously studied literature, and use variables in questionnaire development where the survey is conducted online in Google Forms. In the findings, it can be seen that all variables can be positively related to customer demand to buy a product

Keywords: *Purchase Decision, Purchase Interest, Trust, Social Media, Marketing, Customers, E-Commerce*

1. INTRODUCTION

In the era of globalization, the use of technological devices such as computers, smartphones, and tablets is increasing. This is also directly proportional to the need for an internet network. Many things can be done using the internet. By using the internet, people can access digital platforms and social media, which can help communicate, such as ascending text messages, voice messages, voice calls, or video calls that can make it easier to find and exchange information.

The development of the use of technological devices has changed the pattern of sales systems in the world. In the past, business actors needed to use an offline system to market their products, such as using posters, using x-stand banners, using pamphlet boards, and so on. However, today, information technology has a very important role in economic activity. Product marketing is no longer done through an offline system, but by utilizing technology such as social media platforms. Social media is a platform that one of its functions is as a medium to promote products used by business

actors. Social media is used as a promotional tool because it has a direct response to its users. Currently, business people prefer to make transactions online because of social media users too. Therefore. Capital that is capable of mastering information technology can make people have an advantage in the era of globalization. As the old saying goes, "grow or die."

Social media has many advantages including as an intermediary for communication with consumers, forms of cooperation, promotion, and to create your own brand. Promotion must be considered with the suitability of consumers regarding the product, service, and brand. Think carefully about how to promote goods that are appropriate and have effective customer satisfaction. The image of the product is related to consumer interest in buying. From the branding carried out by Social Media Influencers based on previous research, there is a strong correlation between the promotions they carry out on consumer buying interest, where Influencers increase purchase intention by 89.7% [1].

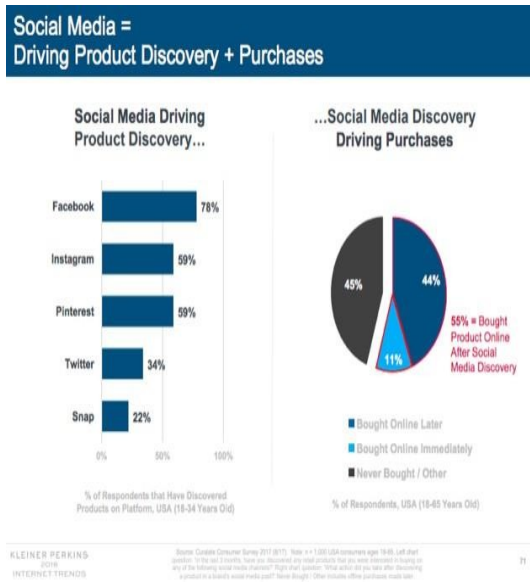


Figure 1. Consumer Survey 2017

Social media marketing can be an opportunity for entrepreneurs, both small and large businesses, to build brands and businesses to be more widely known. The goal is to build a brand by creating engaging content to publish and communicate with users. Seen in a consumer survey in 2017 [2], in total, 55% of people aged 18-65 years bought goods online after the discovery of social media. This shows that social media has a great influence on consumer buying interest. From the infographic, it was also found that Facebook is the application that occupies the highest percentage in the discovery of social media products, which is 78%.

According to Kotler, Philip and Kevin Lane Keller, the existence of advanced technology coupled with the internet network facilitates direct interaction between consumers and business actors [3]. The ease of interaction between consumers and business actors makes the platforms used to market products grow. Promotional media have various criteria, starting from those that are unique, trending, social media along with the times have technological sophistication to market products with certain features. With this convenience, businessmen must have high creativity by utilizing social media to seize a place in the market. In this article, we will discuss the influence of social media, trust, and purchasing decisions on customers.

2. THEORITICAL BACKGROUND

This section will summarize the theories and concepts that have been applied to this research from relevant research.

2.1 Purchase Interest

Purchase interest is a process that exists between the evaluation of alternatives and the purchase decision. According to [3], this is a consumer's interest to continue buying or sorting products. Consumers choose based on their experience and consumption needs as well as the desire to use the product.

After consumers evaluate existing alternatives, consumers have an interest in buying a product or service offered. According to Abzari, et al, the following signs can be used to determine buying interest, 1) Transactional interest, which refers to a person's tendency to buy an item. 2) Referential interest, which refers to a person's tendency to recommend a product to others. 3) Preference interest defines a person's behavior when they have a strong preference for a particular product. 4) Explorative interest, this is people seeking knowledge related to the desired item, as well as information to support the features of the product [4], [5].

2.2 Trust

Trust can increase the intention to buy or use the product by eliminating doubts. According to Flavin and Giunaliu, trust comes from three things, 1) Honesty is belief in the words of others, 2) Virtue is an action that prioritizes public interest over personal interests, 3) Competence is the perception of knowledge, ability to solve problems, and fulfill other needs. [8]. According to [11], if the perception of risk is high, there will be distrust which results in doubt and the possibility to leave the store or online transaction, and if the perception of risk is low, trust will occur which in turn has an impact on customers. commitment and loyalty. Consumer confidence in a product can be created by providing/delivering products according to the specifications advertised on the company's website. When consumers receive goods or services that match the company's advertisements on the website, it will foster a sense of trust.

2.3 Purchase Decision

Customer purchasing decisions are part of consumer behavior, based on research conducted by Kotler and Keller, namely activities related to individuals and groups of people in making purchases, selection and use as well as news with satisfaction from the goods purchased. Every

customer has different habits in making purchases. According to Schiffman and Kanuk, external influences, perception of needs, introducing certain products are things that arouse consumer buying interest and purchasing decisions are directly influenced by buying interest [4], [7], [12].

2.4 Social Media

Social media has a special character that is not shared by other media. There are certain limitations and privileges that only social media has compared to other media. In addition, Nasrullah's findings claim that social media has the following characteristics: 1) network; social media can be generated from social structures that are formed in a network or on the internet. 2) information, information has become an important component of social media. 3) interaction, social media interaction in the form of people commenting on each other or giving symbols [6]. Buying interest is directly influenced by social media [12].

3. Research Method

This section will discuss the research model and methodology used in this study.

3.1. RESEARCH MODEL.

The research model was determined in this study based on the literature studied in the previous section, as shown in Figure 1. In this study, buying interest refers to people who own a smartphone and have experience in online shopping.

Purchase Decision (X1), Trust (X2), and Social Media (X3) are independent variables (X3). In developing the questionnaire, these variables are used to determine indicators.

Variable	Indicator	Definition	literature	Code	Statement
Buy Interest (Y)	Transactional Interest	The tendency of a person to buy a product.	Abzari, et al (2014)	MB1	Customers tend to buy goods because they are interested in the product
	Reference Interest	A person's tendency to refer a product to others.	Abzari, et al (2014)	MB2	Customers tend to buy goods according to other people's references
	Preference Interest	The behavior of someone who has a primary preference for buying a product.	Abzari, et al (2014)	MB3	Customers tend to buy goods according to existing product preferences
	Explorative Interests	The behavior of someone who is always looking information about their products Interested and looking for information to support the positive characteristics of the product.	Abzari, et al (2014)	MB4	Customers tend to buy goods according to the product information they are interested in to get positive results for the product they want to buy
	According to the needs	Customers make purchases because the products offered are according to their needs and it is easy to find the items needed.	Thompson (2016:57)	KP1	Customers make purchases because the products offered are in accordance with their needs.
	Have Benefits	The products purchased are very meaningful and useful for consumers.	Thompson (2016:57)	KP2	Customers buy products that have certain benefits.

Purchase Decision (X1)	Accuracy in Buying Products	Product Prices According to Product Quality.	Thompson (2016:57)	KP3	Customers buy products at prices that match the quality of the products.
	Repeat Purchase	A situation where consumers are satisfied with previous transactions, so they intend to always make transactions in the future.	Thompson (2016:57)	KP4	Customers always intend to make transactions in the future.
Trust (X2)	Trust	Trust in the words of others, believe that they will keep their promises and be sincere to us.	Flavian and Giunaliu (2007)	K1	Sellers who always keep their promises tend to gain customer trust
	Virtue	Actions that prioritize the public interest over personal interests.	Flavian and Giunaliu (2007)	K2	Sellers who put customer interests first will increase customer trust
	Competition	Perception of knowledge, ability to solve problems, and the ability to fulfill The needs of other parties owned by certain parties.	Flavian and Giunaliu (2007)	K3	Sellers who are able to meet customer needs will have an impact on sales competence
	Network	Social media can be built from social structures that Formed in a network or internet.	Nasrallah (2016)	MS1	Customers can access social media with stable internet.

Social Media (X3)	Information	Social media users create representations of their identities, interact based on information, become commodities that are consumed between users.	Nasrallah (2016)	MS2	Customers can provide the latest information through social media.
	Interaction	Social media users can tag friends in their network for this information.	Nasrallah (2016)	MS3	Customers can interact with sellers

Table 1. Variable Mapping

Figure 2. Research Model

Hypothesis:

According to Thompson, there are 4 indicators in purchasing decisions, namely according to needs, having benefits, accuracy in buying products, and repeat purchases. Based on previous research, the effect of location and product diversity on consumer purchasing decisions [7]. Therefore, we hypothesize as follows.

H1: Purchase Decision is positively correlated with Consumer Purchase Intention.

Studies in [8] show that trust is shown by honesty, benevolence, and competence. These three things can create trust for clients which will result in a long-lasting relationship between the company and the client. The results of the study [9] showed that there was no influence between the variables of trust on commitment and loyalty. Therefore, we hypothesize as follows.

H2: Trust has a positive correlation with Consumer Purchase Interest.

Research in [5] shows that there is an effect of social media on consumer buying interest at Pasir Pengaraian University. So, we hypothesize as follows.

H3: Social Media is positively correlated with Consumer Buying Interest



Figure 3. Research Framework

This study has three independent variables, namely Purchase Interest, Trust, and Purchase Decision. As for the Literature Study and Questionnaire, both are used to identify the problem we have and get more data. With these three Independent Variables, we also have a Dependent Variable which will become Social Media.

3.2. TIME AND OBJECT OF RESEARCH.

This research was conducted from October 2021 to February 2021. The target population of this research is all students at Bina Nusantara University, Jabodetabek, aka Greater Jakarta. There is no gender limit of respondents. Due to the limited time and reach we have, we focus on BINUS Jakarta students.

3.3. RESEARCH SAMPLE.

This section will discuss the study population.

Table 2 Demographics of Respondents

Demographic Variables	Category	Frequency
Gender	Man	57
	Woman	44
Age	< 18	11
	18 - 21	87
	> 21	3
Faculty	Faculty of Economics and Communication	11
	Faculty of Engineering	4
	School of Computer Science	11
	Design School	2
	Information Systems School	64
	Faculty of Business and Management	8
	Faculty of Humanities	1
Residence	Jabodetabek	55
	Outside Jabodetabek	46
Income	Have no Income	65
	<1,000,000	19
	1,000,001 - 3,000,000	10
	3,000,001 - 5,000,000	4
	>5.000.000	3

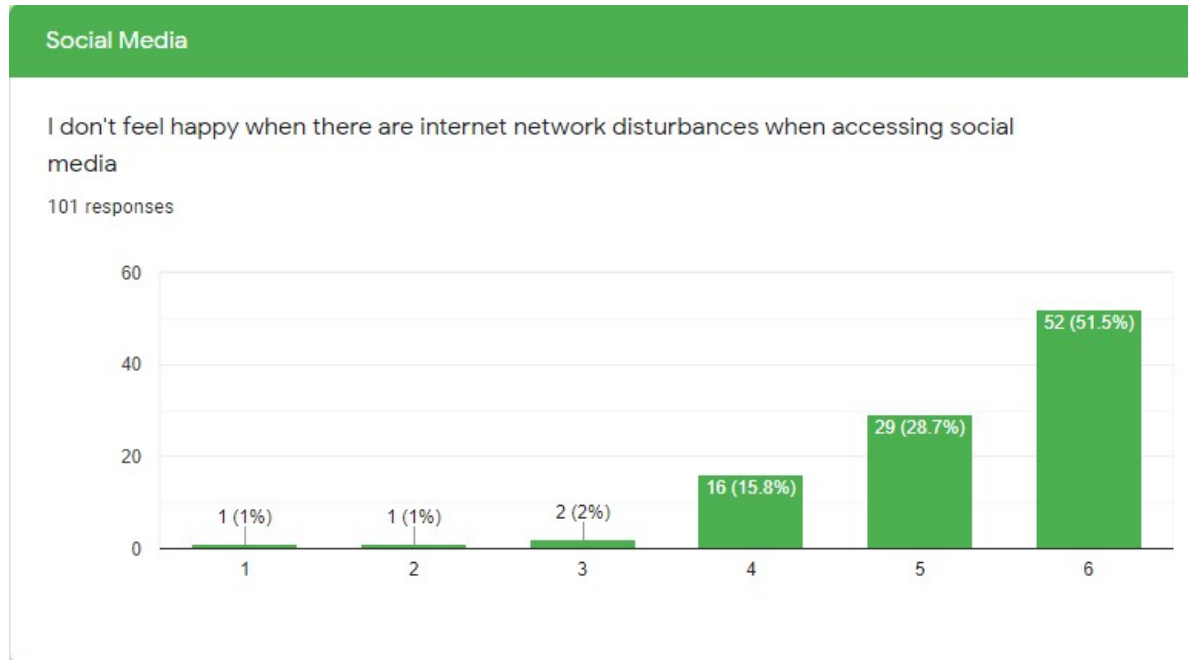


Figure 3. Social Media Responses



Figure 4. Trust Responses

Buying Decision

I am interested in repurchasing the product because I am satisfied with the product

101 responses

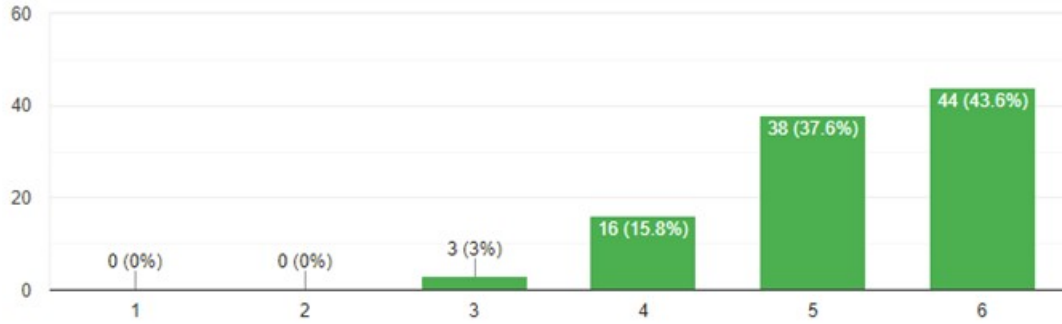


Figure 5. Buying Decision Responses

Buying Interest

I am willing to recommend the products I bought to others

101 responses

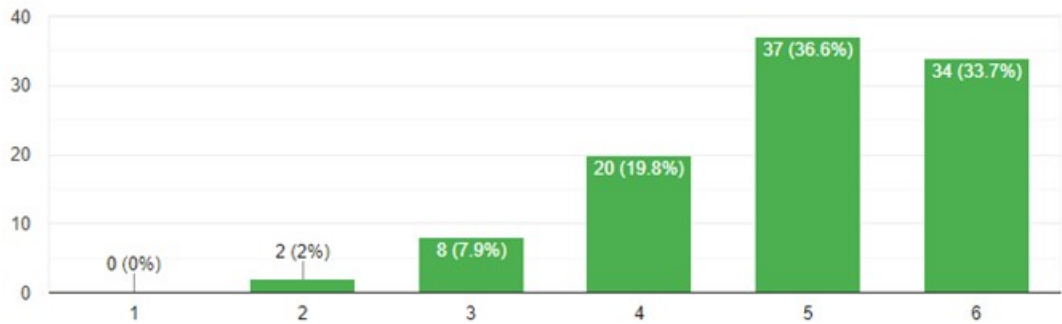


Figure 6. Buying Interest Responses

It managed to get 102 respondents in less than a month of data collection. Only one of the total respondents is not Binusian, meaning that there are 101 data sets that can be analyzed in this study. There were 57 men and 44 women among the 101 respondents. 11 respondents were under 18 years old, 87 respondents were between 18 and 21 years old, and 3 respondents were over 21 years old. The majority of respondents are between 18 and 21 years old.

3.4. METHOD OF COLLECTING DATA.

Research data to be analyzed in this study were collected through a survey with a questionnaire. Surveys are conducted entirely online using Google Forms. The information is then disseminated to the intended audience through social media.

There are three main sections to the questionnaire. Questions about the background of the respondents were asked in the first part. The second part consists of a series of questions that require respondents to complete a checklist for each social media-related issue. The variables in the research model are used to generate questions. The questions generated by the confidence variable are discussed in the third section. The fourth part is the question of purchasing decisions. The final section involves a series of questions about buying interest, with respondents being asked to complete a checklist for each item and react based on their thoughts about buying interest. Variables in the research model are also used to generate research questions.

4. RESULTS

In this section, the results of data analysis using the PLS-SEM method will be discussed. There are two main components in the PLS-SEM analysis, namely the validity & reliability test and the structural model.

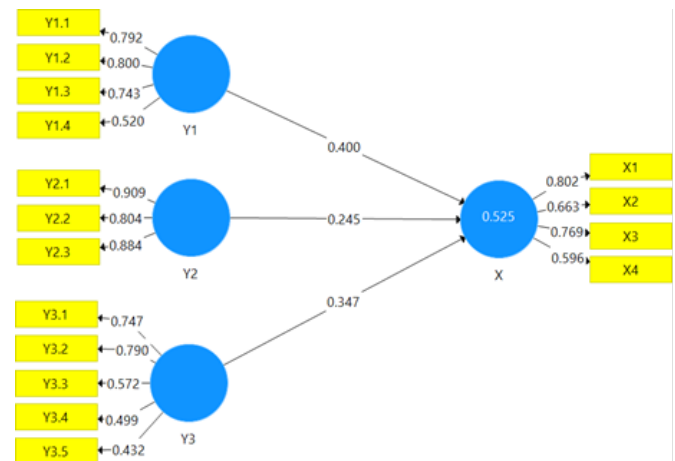


Figure 4. PLS Model

4.1 Validity Test

Validity test is an activity to measure whether or not the tool used to measure is appropriate. While the reliability test is useful for measuring the level of consistency of the measuring instrument. Reliable or not if it changes from time to time. We test the validity for all indicators, Purchase Decision, Trust, social media, and Buying Interest, if the Average Variance Extracted (AVE) for each indicator is greater than 0.5 it means the indicator is valid. Reliability test is done by comparing the value of Cronbach's Alpha, if Cronbach's Alpha is greater than 0.700, it means that the variable is reliable. As shown in Table 2 below, the indicator is the right measuring tool for the variable being measured and the Y2 variable is reliable.

Table 2. Validity and Reliability Test

Variable	Alpha Cronbach	Composite Reliability	Average Extracted Variance (AVE)
Y1	0.691	0.81	0.522
Y2	0.835	0.901	0.752
Y3	0.650	0.751	0.389
x	0.669	0.802	0.507

4.2 STRUCTURAL MODEL

The structural model represents the relationship between the constructs, and the

path coefficient is one of the evaluation methods. The positive path coefficient indicates that the independent and dependent constructs are positively correlated. The t-statistic value was used to determine its significance.

Table 3. Path Coefficient

	Original Sample (O)	Sample Average (M)	Standard Deviation (STDEV)	T statistic (O/STDEV)	P value	Description
Y1 > X	0.4	0.399	0.079	5.043	0	Positive; Important
Y2 > X	0.245	0.238	0.083	2,961	0.003	Positive, Significant
Y3 > X	0.347	0.373	0.09	3.845	0	Positive, Significant

Y1 = Purchase Decision

Y2 = Trust

Y3 = social media

X = Purchase Interest

4.2.1 PURCHASE DECISION TO PURCHASE INTEREST

Based on the results of this study, the path coefficient of this relationship is positive which indicates that H1 is accepted. The t-statistical value of this relationship is 5.043, which is greater than 1.96 and the P-value is below 0.05 [14]. The purchase decision has a positive and significant impact on users' buying interest and is considered statistically influential, according to t-statistics.

Purchase decisions are consumer actions to decide to buy an item or product. This is related to the interest in this product. The higher the benefits obtained from the product; the more consumers want to buy the product. The purchase decision is very important.

4.2.2 TRUST FOR PURCHASE INTEREST

The results show that this relationship has a positive path coefficient, and the t-statistic value is 2,961, which is greater than 1.96 and the P value is below 0.05 [14]. These results indicate that trust has a significant effect on users' buying interest and is considered statistically influential. Therefore, H2 is also accepted, meaning that trust is positively related to customer buying interest when buying a product.

The development of the e-commerce business in Indonesia has changed some consumer behavior, one of which is the habit of shopping at shopping centers or stores, now starting to switch to using online media. Of course, consumer interest in making purchases or shopping online is influenced by several factors, such as consumer confidence in resellers or online sales actors. Consumer interest can be created from trust in e-commerce companies.

4.2.3 Social media for buying interest

This relationship has a positive path coefficient, and the t-statistic value is 3.845 which is more colossal than 1.96 and the P value is 0 [14]. These results indicate that H3 is also accepted, meaning that social media has a positive and significant effect on users' buying interest and is considered statistically influential.

In this developing modern era, social media is not only a communication, but also as a promotion, and most importantly social media can be a tool in marketing and establishing relationships with traditional media because it offers many advantages [10]. Siswanto said that social media is the most powerful medium to be used as a promotion to members and potential customers [10].

5. CONCLUSION

This study investigates the effect of the independent variables, namely social media, trust, and purchasing decisions on the dependent variable, buying interest. As a result of the findings, all hypotheses are accepted, meaning that all independent variables are positively related to customer buying interest when buying a product. All independent variables also have a significant relationship with buying interest.

Several suggestions have been generated by this research process. Recommendations for shop owners or online sellers in influencing social media customer trust and purchasing decisions when making transactions with customers. They can increase their use of social media to engage with customers by providing high-quality and engaging content about their products that users can easily access. In addition, sellers need to ensure that the product can meet their needs, as well as set relevant standards by promising the best product or service to outperform it to satisfy customers and encourage them to buy again in the future.

There are components of this research that can be improved in future research. The respondents in this study were Bina Nusantara University (Jakarta) students who were highly clustered in their 18s and 30s, which may not be representative of the entire population. Consequently, future research will need to include older and younger respondents, as well as the general public.

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