

THESIS

**DETERMINANTS OF IN-APP PURCHASE INTENTION IN HAGO  
GAMES**



ALDO  
Student ID: 185002798

MASTER OF MANAGEMENT STUDY PROGRAM  
POSTGRADUATE PROGRAM  
UNIVERSITAS ATMA JAYA YOGYAKARTA  
2020



UNIVERSITAS ATMA JAYA YOGYAKARTA  
**PROGRAM PASCA SARJANA**  
PROGRAM STUDI MAGISTER MANAJEMEN

---

THESIS APPROVAL

Nama : ALDO  
Nomor Mahasiswa : 185002798  
Konsentrasi : E-business  
Judul Tesis : Determinants of In-App Purchase Intention in HAGO Games

**Advisor**

**Date**

**Signature**

Dr. Dra. J. Ellyawati, MM

8 Jan 2020






UNIVERSITAS ATMA JAYA YOGYAKARTA  
**PROGRAM PASCA SARJANA**  
PROGRAM STUDI MAGISTER MANAJEMEN

RATIFICATION

Nama : ALDO  
Nomor Mahasiswa : 185002798  
Konsentrasi : E-business  
Judul Tesis : Determinants of In-App Purchase Intention in HAGO Games

Examiners	Date	Signature
Dr. Dra. J. Ellyawati, MM	<u>27 Jan 2020</u>	<u></u>
Ir. A. Djoko Budiyanto SHR, M.Eng., Ph.D	<u>27 Jan 2020</u>	<u></u>
Budi Suprpto, MBA., Ph.D.	<u>29/01/2020</u>	<u></u>

  
**Head of Study Program**  
  
PROGRAM  
PASCASARJANA  
Dr. Dra. J. Ellyawati, MM

## PLAGIARISM STATEMENT

This thesis was written by me and in my own words, except for quotations from published and unpublished sources which are clearly indicated and acknowledged as such. I am conscious that the incorporation of material from other works or a paraphrase of such material without acknowledgment will be treated as plagiarism, subject to the custom and usage of the subject, according to the University Regulations on Conduct of Examinations. The source of any picture, map or other illustration is also indicated, as is the source, published or unpublished, of any material not resulting from my own experimentation, observation or specimen-collecting.

Yogyakarta, January 27, 2020



Aldo

## ACKNOWLEDGMENTS

I would like to express my gratitude for Jesus Christ. Without His help, I would not be able to finish writing this study.

I would like to thank Universitas Atma Jaya Yogyakarta for the lessons and knowledge that I have achieved and learned when studying here. I would also like to thank Dr. Jeanne Ellyawati, MM., as my thesis advisor, for the guidance, advices, and supports that she have given to me for this study. I would also like to thank Ir. A. Djoko Budiyanto SHR, M.Eng., Ph.D and Budi Suprpto, MBA., Ph.D, as the examiners for my thesis, for their advices to my thesis.

I would like to express my gratitudes and thankfulness for my friends (who I could not mention one by one) and family who have supported me during my time working on this study until now. I appreciate all the helps and supports that I have received from them.

Yogyakarta, January 27, 2020

Aldo

## TABLE OF CONTENTS

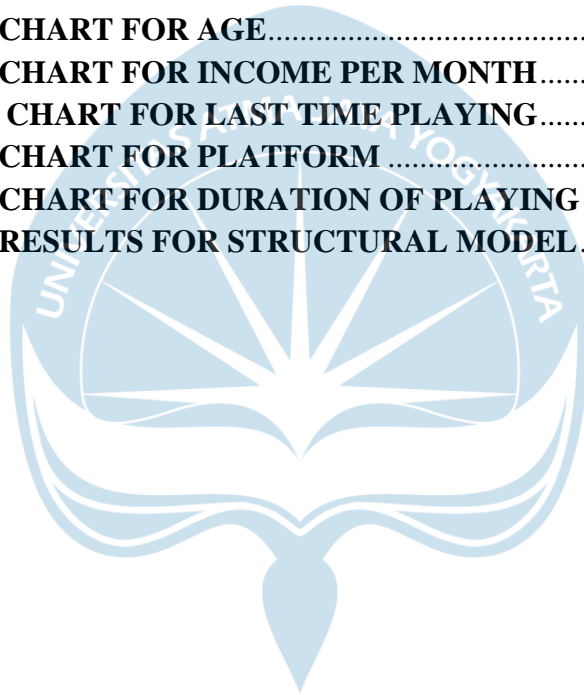
THESIS APPROVAL .....	ii
RATIFICATION.....	iii
PLAGIARISM STATEMENT.....	iv
ACKNOWLEDGMENTS .....	v
TABLE OF CONTENTS.....	vi
LIST OF FIGURES .....	viii
LIST OF TABLES .....	ix
ABSTRACT .....	x
CHAPTER I.....	1
INTRODUCTION.....	1
1.1. Research Background .....	1
1.2. Problem Formulations .....	4
1.3. Research Objectives .....	5
1.4. Research Contribution.....	5
1.5. Theoretical Contribution .....	6
CHAPTER II.....	7
LITERATURE REVIEW.....	7
2.1. Theoretical Review .....	7
2.2. Hypotheses Development.....	20
2.3. Research Model .....	25
CHAPTER III .....	28
RESEARCH METHODOLOGY .....	28
3.1. Research Scope .....	28
3.2. Sampling Method .....	28
3.3. Data Collection .....	29
3.4. Scale of Measurement .....	29
3.5. Research Instrument Testing .....	32
3.6. Data Analysis Method .....	34
3.7. Descriptive Statistics .....	34
3.8. Hypothesis Testing .....	34
CHAPTER IV.....	35
ANALYSIS .....	35
4.1. Descriptive Statistics .....	35
4.2. Instrument Testing.....	43
4.3. Structural Model .....	46
4.4. Hypotheses Testing.....	50
4.5. Model Fit .....	57
4.6. Discussion .....	58
CHAPTER V .....	71
CONCLUSION.....	71
5.1. Conclusion.....	71
5.2. Implications.....	74

<b>5.3. Research Limitations and Future Research</b> .....	77
<b>REFERENCES</b> .....	79
<b>APPENDIX 1: QUESTIONNAIRES</b> .....	84
<b>APPENDIX 2: DATA</b> .....	91
<b>APPENDIX 3: RESULTS FROM SMARTPLS</b> .....	113



## LIST OF FIGURES

<b>FIGURE 2.1. RESEARCH MODEL FROM HSU AND LIN (2015)</b> .....	27
<b>FIGURE 2.2. RESEARCH MODEL OF THIS STUDY ADAPTED AND MODIFIED FROM HSU AND LIN (2015)</b> .....	27
<b>FIGURE 4.1. DATA COLLECTION</b> .....	35
<b>FIGURE 4.2. CHART FOR GENDER</b> .....	36
<b>FIGURE 4.3. CHART FOR AGE</b> .....	37
<b>FIGURE 4.4. CHART FOR INCOME PER MONTH</b> .....	38
<b>FIGURE 4. 5. CHART FOR LAST TIME PLAYING</b> .....	39
<b>FIGURE 4.6. CHART FOR PLATFORM</b> .....	40
<b>FIGURE 4.7. CHART FOR DURATION OF PLAYING</b> .....	41
<b>FIGURE 4.8. RESULTS FOR STRUCTURAL MODEL</b> .....	47





## LIST OF TABLES

<b>TABLE 2.1. REVIEW OF RELATED STUDIES .....</b>	<b>11</b>
<b>TABLE 3.2. OPERATIONAL DEFINITION .....</b>	<b>31</b>
<b>TABLE 4.1. RESPONSE RATE .....</b>	<b>36</b>
<b>TABLE 4.2. RESULTS BASED ON GENDER .....</b>	<b>36</b>
<b>TABLE 4.3. RESULTS BASED ON AGE .....</b>	<b>37</b>
<b>TABLE 4.4. RESULTS BASED ON INCOME PER MONTH .....</b>	<b>37</b>
<b>TABLE 4.5. RESULTS BASED ON LAST TIME PLAYING .....</b>	<b>38</b>
<b>TABLE 4.6. RESULTS BASED ON PLATFORM .....</b>	<b>39</b>
<b>TABLE 4.7. RESULTS BASED ON DURATION OF PLAYING PER DAY ....</b>	<b>40</b>
<b>TABLE 4.8. RESULTS FOR MEAN BASED ON INDICATORS .....</b>	<b>42</b>
<b>TABLE 4.9 RESULTS FOR CROSS LOADINGS .....</b>	<b>44</b>
<b>TABLE 4.10. RESULTS FOR FORNELL-LARCKER .....</b>	<b>45</b>
<b>TABLE 4.11. RESULTS FOR CRONBACH'S A, COMPOSITE RELIABILITY, AND AVE .....</b>	<b>46</b>
<b>TABLE 4.12. RESULTS FOR Q<sup>2</sup> .....</b>	<b>48</b>
<b>TABLE 4.13. RESULTS FOR F<sup>2</sup> .....</b>	<b>49</b>
<b>TABLE 4.14. RESULTS FOR PATH COEFFICIENTS AND HYPOTHESES TESTING .....</b>	<b>50</b>
<b>TABLE 4.15. MODEL FIT .....</b>	<b>57</b>
<b>TABLE 4. 16. SUPPORTING STUDIES FOR THE RESULTS OF HYPOTHESES .....</b>	<b>58</b>

## ABSTRACT

Despite the increases in number of users, duration of playing, and revenue of mobile games, the decreases in revenue in certain years emphasize the importance of investigating in-app purchase of mobile games. This study aims to understand the determinants of in-app purchase intention in HAGO games. The questionnaires of this study was distributed using nonprobability sampling method, specifically snowball sampling method (distributed online and offline). Total of valid responses collected were 205 responses.

The results show that social value and emotional value had significant influences on satisfaction. Price value and social value also had significant influences on in-app purchase intention. Therefore, mobile social networking games (M-SNGs) companies should focus on increasing social value by providing more benefits and increasing emotional value by fulfilling the players emotional wants. Moreover, confirmation was found to significantly influenced both perceived values and satisfaction. M-SNGs companies should concentrate on the importance of the correspondence among the actual experience and the expectation of the users towards the M-SNGs.

On the other side, functional value and price value did not have significant influence on satisfaction. For these reasons, M-SNGs companies should focus more on increasing the quality and design of the M-SNGs and make the price of the virtual goods become more reasonable, economical, and offer value for money. In addition, functional value, emotional value, and satisfaction did not have significant influences on in-app purchase intention. Thus, M-SNGs companies should put more attention on the quality and design and also the pleasure and enjoyment of of the M-SNGs. The M-SNGs companies should also concentrate on the experiences of the players.

**Keywords:** Mobile Social Networking Games (M-SNGs), Perceived Value, Satisfaction, Confirmation, In-app Purchase Intention