CHAPTER I

INTRODUCTION

1.1 Background

In the modern era, the growth of Social Networking Sites (SNS) such as Facebook (FB), Twitter, Instagram and Pinterest has influenced consumer behavior and compelled the companies to espouse commercial and marketing activities on such platforms known as social commerce (Liang & Turban, 2011; Xiang, et all., 2016). Social commerce assists the individuals in decision making and buying activities within online communities and market place because it involves social media and web 2.0 which facilitate the social interaction with user-generated content (Huang & Benyoucef, 2013; Zhang, Lu, Gupta, & Zhao, 2014). Social commerce significantly changed e-commerce and suggested as:(1) an online shopping platform which contains social tools and facilitates consumers to communicate with others (2) computer-mediated social milieu where persistent interaction exist involving community members and have the potential to influence firm marketing states.

Social media is a mass media that is quite widely used by people today, it covers a variety of user ages, ethnicities, locations, etc. according to Daily Average User, there are more than 500 million of daily user of Instagram, one of the biggest social media platform. Nowadays many social media platforms use integrated market to their application, this method purposely to make their audience/user an easier way to access/buys product toward their application.

Early in 2020, the world began to experience a healthcare pandemic from a novel coronavirus known as COVID-19. Previous research on the impact of a pandemic has focused on behaviour for preventive health. However, little attention has been given to the effects of a pandemic on consumer behaviours. The Consumer Decision-Making Model was used as a framework to investigate changes in consumers' social media behaviours that have occurred since the COVID-19 pandemic was declared. Investigating the impact of this pandemic on consumers' social media marketing behaviours is important because recent findings indicate that the pandemic is having

significant and structural effects on consumers' purchase behaviors, as well as their decision-making processes, which could result in significant changes in marketing practices. More specifically, changes in consumer decision-making behaviors since the start of the COVID-19 pandemic and found that the COVID-19 pandemic altered consumers' product needs, shopping and purchasing behaviors, and post-purchase satisfaction levels. With public healthcare concerns and governmental COVID-19 pandemic mitigation policies, the role and impact of social media as a marketing tool stands to increase in importance because, when social distancing is a common practice, social media offers avenues for consumers to interact with others without having physical contact. As such, COVID-19 will likely also result in shifts in consumers' use of social media during consumer behaviours. Therefore, businesses may find new opportunities to gain a competitive advantage through effective social media marketing strategies.

According to the latest estimates, Instagram will have 1.3 billion users worldwide in 2022 and is used by one of every three social media users (eMarketer, 2022). Instagram is a social network that allows users to share and edit both photos and Instagram videos. Once used mainly by teens and young millennials, Instagram continues to grow as one of the most popular social media platforms. The data tells us that it will not change anytime soon. From 2019 to 2021, the number of Instagram users worldwide grew by 383 million. In fact, in 2020, the popular photo-sharing network crossed the one-billion mark for the first time—a feat experts had previously expected in 2024. Incidentally, that same year, Instagram registered a significant 22.9 percent increase in users. Analysts attribute a big part of this massive growth to the coronavirus pandemic, which drove users to sign up for Instagram.

Almost 70.8 percent of the billion monthly active users on the Instagram app are under the age of 35 (Statista, 2022). This statistic provides information on the distribution of Instagram users worldwide as of April 2022. The single most popular age bracket is 25 to 34 (31.7 percent), followed by 18 to 24 (30.2 percent). By understanding social media age demographics will help the marketer determine which platforms make the most sense for their brand to utilize. This way, the marketer will be sure that they're not spending time creating content for a platform where their audience

doesn't have a presence. If the target market consists of young adults, Instagram is definitely the right place to be.

Social commerce has altered the consumption experience due to various interactive factors. Growing evidence stated that users are prone to buy impulsively in such an environment. Prior studies were limited to demonstrate the emerging role of social media celebrities and embedded social interaction in the context of impulse buying though users encounter them concurrently and frequently while browsing.
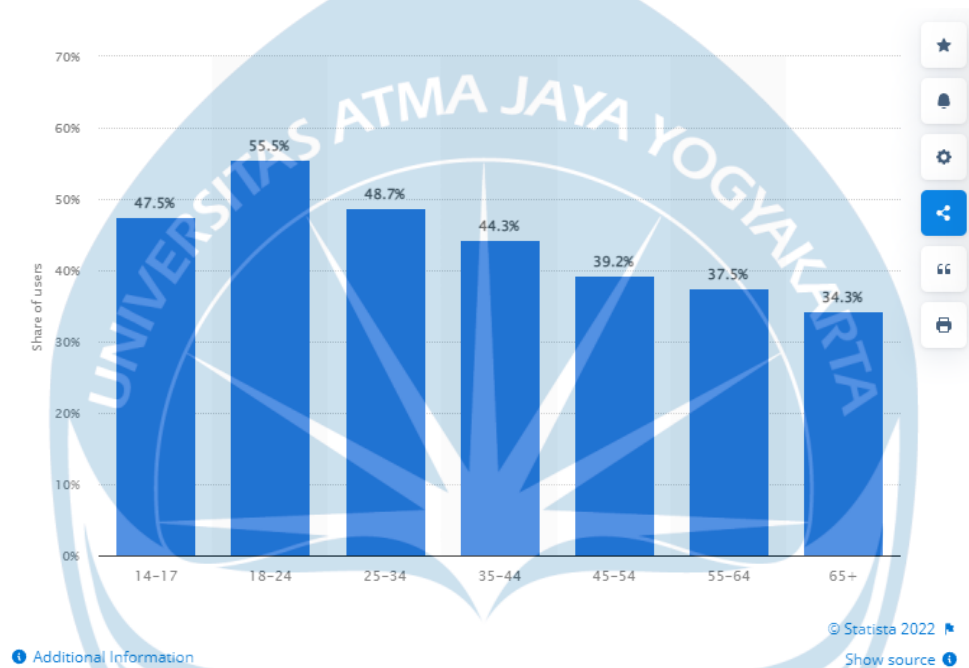
Source: statista 2022

Figure 1.1. US social network user

Statista collected data on US social network users (14+) who have made at least one purchase via any social channel. They found that it is particularly prevalent among users aged 18-24 (55.5%). The next most active users of social commerce are 25–34-year-olds (48.7%), 14–17-year-olds (47.5%), 35–44-year-olds (44.3%), 45-54-year-olds (39.2%), 55-64-year-olds (37.5%), and 65+ year-olds (34.3%). While older people use social commerce least, the fact that more than 1/3 of all over 65-year-olds made social commerce transactions last year is notable.
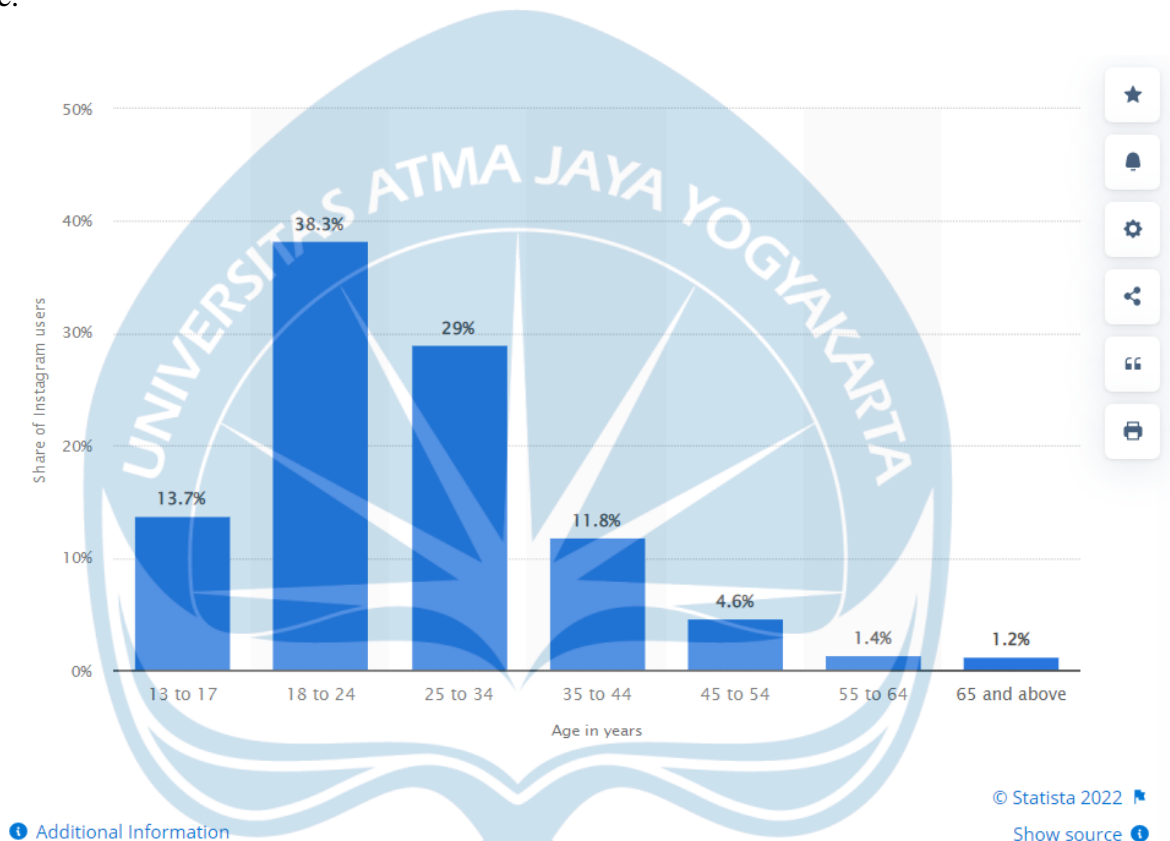
Source: Statista 2022

Figure 1.2. Shares of Instagram Users in Indonesia as of August 2022.

As shown in the figure 1.2., there were approximately 103.95 million Instagram users in Indonesia, of which 51.7 percent were female and 48.3 percent male. According to Statista the users shares of Instagram in Indonesia shows similar pattern as the users in the US. The group of age range from 18-24 years old still maintain as the highest group of Instagram users, and the group of age range 25 to 34 hold the 2nd highest of the Instagram user. The differences with the user statistic between Indonesia and the US is the gap between each group of ages. The US show slightly differences

between each group of ages, while Indonesia user has big gap between each group of ages.

The object of the research are the social media users, to be specific is the Instagram social media. @anakjajan @eatsandtreats @mgdalenaf @nexcarlos @dyodoran. These objects are chosen because of few factors, such as becomes few of most followed food blogger by the Indonesian user.

Some marketer nowadays is often using the social commerce as their method to promotes their product/ or services. The method called endorsement. An example of an endorse is when a *celebgram* (the celebrity that using social media) that promotes products on Instagram. Product promotion is carried out through uploading photos, videos, Instagram stories which aim to attract followers. Endorsement can benefit both parties, namely the celebrity and the person who sells the product/services.

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Environmental psychology approach suggested that online impulse shopping is an outcome of a website environment and interaction among individual's personality traits (Chan et al., 2017). Different studies have explored that individuals state of mind can be pretentious by online environmental cues, i.e. web visual appeal, web design, and also social interaction which may significantly influence impulse purchase. Moreover, prior studies have suggested that impulse purchase trait could positively arouse shopping intentions, either both online or offline. Psychologist affirmed that

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consumer behavior depends on individual differences which are supposed to be somehow consistent according to time and circumstances called traits and it is considered as part of the personality (Maltby, Day, & Macaskill, 2013). Further, consumer behavior affected by temporary situations and consumers behaves inconsistently according to circumstances and time defined as states (Epstein, 1997).

Marketer nowadays using the S-commerce as their marketing method. The marketer do the marketing by do a collaborating with the celebrity account to promotes the product or services that the marketer try to sells. The celebrity account or people used to call celebgram in Instagram platform are making a content, which could be video or a picture that in hopes could affect people psychology that ended making people to buy or use the product. The Instagram user affected by few reasons, such as; the celebrity authenticity, the post sentiment itself, and the user observational learning toward the post and the celebrity account. The observational learning is about the number of likes, shares, and comment on the post itself, which of course the higher the number would have better psychology effect that will make people tend to buy the product that promotes in the content itself.

This research wants to analyses, on whether the people tendency to impulse buying affected by the celebrity/pages content, especially in restaurant or places sector.

1.2 Research Questions

1. Does the Instagram Food Influencer's Post authenticity have a significant effect on Urge to Buy Impulsively?
2. Does the Instagram Food Influencer's Post authenticity, moderate the effect between Positive Sentiment toward Urge to Buy Impulsively?
3. Does the Instagram Food Influencer's Post authenticity, moderate the effect between Negative Sentiment toward Urge to Buy Impulsively?
4. Does the Instagram Food Influencer's Post Authenticity, moderate the effect between Observational Learning toward Urge to Buy Impulsively?
5. Does the Positive Sentiment has a significant effect on Urge to Buy Impulsively?
6. Does the Negative Sentiment has a significant effect on Urge to Buy Impulsively?

7. Does the Observational Learning has a significant effect on Urge to Buy Impulsively?

8. Does the Impulsive Buying Tendency has a significant effect on Urge to Buy Impulsively?

9. Does the Impulsive Buying Tendency, moderate the effect between Positive Sentiment toward Urge to Buy Impulsively?

10. Does the Impulsive Buying Tendency, moderate the effect between Negative Sentiment toward Urge to Buy Impulsively?

11. Does the Impulsive Buying Tendency, moderate the effect between Observational Learning toward Urge to Buy Impulsively?

1.3 Research Objectives

1. To analyze the Instagram Food Influencer's Post authenticity have a significant effect on Urge to Buy Impulsively.

2. To analyze the Instagram Food Influencer's Post authenticity, moderate the effect between Positive Sentiment toward Urge to Buy Impulsively.

3. To analyze the Instagram Food Influencer's Post authenticity, moderate the effect between Negative Sentiment toward Urge to Buy Impulsively.

4. To analyze the Instagram Food Influencer's Post Authenticity, moderate the effect between Observational Learning toward Urge to Buy Impulsively.

5. To analyze the Positive Sentiment has a significant effect on Urge to Buy Impulsively.

6. To analyze the Negative Sentiment has a significant effect on Urge to Buy Impulsively.

7. To analyze the Observational Learning has a significant effect on Urge to Buy Impulsively.

8. To analyze the Impulsive Buying Tendency has a significant effect on Urge to Buy Impulsively.

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11. To analyze the Impulsive Buying Tendency, moderate the effect between Observational Learning toward Urge to Buy Impulsively.

1.4 Research Benefits

1. Theoretical benefits

   In the future the s-commerce could be one of the biggest commerce market, The researcher wishes that this study can give a new contribution and information of knowledge for everyone, especially the literary study on marketing and s-commerce.

2. Practical benefits

   This research determines whether using s-commerce as the method of marketeer to sells the product. The researcher wishes that this study can help the marketer on deciding which marketing method that can be used in the s-commerce

1.5 Writing Systematic

Chapter I Introduction

The background of this research is by looking the trend of marketer using s-commerce as their marketing method. The trend of daily use of social media means that a lot people pays attention to what the see on their social media. Using this situational the marketer could manage to make the best of it by deciding which method, content that will make the fittest that will attract people to buy the product that they're try to sell

Chapter II Literature Review

In the literature review is about the definition of each variable of the research, the previous research that will support this research, and also the hypothesis development toward the variable. This chapter also contains the research framework that also connect each variable.

Chapter III Research Methodology

This chapter cover the methodology that are use in this research project, which encompasses several aspects such as the research location and time frame, research

subjects, research methods utilized, research instruments, techniques for data collection, and data analysis.

Chapter IV Analysis and Data Processing

This chapter focuses on the analysis of the data collected during the research and presents the resulting findings in the form of tables and graphics for easy comprehension. The outcomes of the study will also be explained in detail.

Chapter V conclusion

This chapter covers to the conclusion drawn from the research results, which will be presented and elaborated upon. Additionally, the final section of this chapter offers recommendations based on the study's outcomes.