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Impact of Social Presence and Social Commerce Trust on Commitment and Loyalty of E-Commerce Users

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ABSTRAK

Penelitian ini bertujuan untuk menganalisis sejauh mana pengaruh social presence, social commerce trust dan commitment terhadap loyalty pengguna e-commerce. Populasi dalam penelitian ini adalah seluruh pengguna E-commerce di Kota Padang. Jumlah sampel pada penelitian ini sebanyak 273 responden dengan menggunakan metode purposive sampling. Teknik analisis yang digunakan adalah analisis SEM mengunakan smart PLS3. Hasil penelitian ini menunjukan (1) Terdapat pengaruh langsung dan signifikan serta positif antara social presence dengan social commrce trust pada pengguna e-commerce (2) Social presence berpengaruh signifikan positif terhadap commitment (3) Terdapat pengaruh yang signifikan serta positif antara social presence dengan loyalty (4) social commerce trust memberikan pengaruh yang signifikan terhadap commitment (5) Terdapat pengaruh yang signifikan serta positif antara social commerce trust dengan loyalty (6) Terdapat pengaruh yang signifikan serta positif antara commitment dengan loyalty.

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Keywords:
Loyalty, Social Presence, Social Commerce Trust dan Commitment.

ABSTRACT

This study aims to analyze the extent of the influence of social presence, social commerce trust and commitment on the loyalty of e-commerce users. The population in this study is all E-commerce users in the city of Padang. The number of samples in this study was 273 respondents using the purposive sampling method. The analysis technique used is SEM analysis using smart PLS3. The results of this study show (1) There is a direct and significant and positive influence between social presence and social commrce trust on e-commerce users (2) Social presence has a significant positive effect on commitment (3) There is a significant and positive influence between social presence and loyalty (4) There is a significant and positive influence between social commerce trust and commitment (5) There is a significant and positive influence between social commere trust and loyalty (6) There is a significant and positive influence between commitment and loyalty.

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INTRODUCTION

In the era of increasingly sophisticated technology, the online market has grown rapidly and changed business patterns over the past few years. Technology ushers us into the internet era, where the internet is one of the means of marketing products that have very good prospects today. Through the internet, sellers can reach consumers widely without any specific regional restrictions. Even now internet facilities have entered various remote areas so that people who are far from urban areas can take advantage of this internet facility. According to the Indonesian Internet Service Users Associatio (APJII) in collaboration with Demgan Teknopreneur, in 2020 the number of Indonesian internet users reached 196.7 million users. The number of internet users increased by around 25.5 million users from 2019. The figure of 196.7 million is equivalent to 73.7% of the total population of the Indonesian people. That means that more than half of Indonesia's population can use the internet.

Along with the significant increase in the number of internet users, the development of e-commerce in Indonesia has also accelerated. The emergence of e-commerce as a place for sellers and buyers to interact with each other has created a new culture in buying and selling transactions. It has also changed conventional business patterns to be more modern without losing their essence. Various business elements such as manufacturers, distributors and also consumers make the internet a tool for communication as well as transactions that have created a new platform for competitive strategies (Hsin Chang & Wang, 2011).

Commerce in Indonesia is experiencing very rapid growth in line with the continued increase in the number of internet users which reached 196.7 million people and the number of e-commerce users which reached Rp 129.9 in 2020. This value is predicted to continue to increase until 189.6 million e-commerce users by 2024.

Figure 1. Prediction of E-Commerce Users in Indonesia
Source: greatnesia.com

Based on this data, Indonesia is considered to be a potential country with the fastest development of e-commerce in the world. This is evidenced by the high number of e-commerce usersin Indonesia currently making Indonesia the country with the highest level of e-commerce use in the world. The

advantages provided by this e-commerce service include ease of use, increasing control from consumers, reducing transaction costs and others. With these electronic-based activities, this has shaped the online lifestyle in society, such as shopping activities that were once only known through physical stores, are now carried out online. The buying and selling process, which used to require us to meet face to face, is now only limited to clicking on gadgets that are integrated with internet technology.

Due to the high development of e-commerce in Indonesia, it has caused many new e-commerce emergence in Indonesia. This is a phenomenon for e-commerce in Indonesia. Where e-commerce must be able to compete very competitively for the continuity of their business, this is due to price transparency and the existence of business rivals who are one click away. That's why to run a good business, in addition to getting the attention of consumers, it is also necessary to pay attention to the loyalty aspect, especially in the e-commerce business whose brand movement is only a click away. In the context of e-commerce, loyalty is defined as a customer's beneficial attitude to an online site that results in repurchase behavior.

Social presence is one of the factors that can affect user loyalty to one e-commerce (Nadeem et al., 2020). In this all-digital era, both small and large businesses are very dependent on digital marketing. One of the keys is to have a good social presence on the internet (Jiang et al., 2019). With social prescence, e-commerce will have more opportunities to attract users and make users interested in e-commerce, leading to the formation of loyalty to the users themselves. Social presence can improve the marketing performance of an e-commerce because it allows e-commerce to be able to communicate and interact with their users (Lin et al., 2019). The widespread use of communication technology and the rise of social media platforms, such as Facebook, Instagram, and Twitter, have contributed greatly to the effectiveness of these social interactions and made consumers a central figure in social presence. Social presence will greatly affect user loyalty to one e-commerce, because currently the average reason someone uses the internet is to access social media.

Social media can serve to make many people feel connected to others and facilitate access to information. The considerable power of social media provides its own advantages for companies. Companies can optimize social media as a promotional field. Social media will be the main weapon that is able to provide offers executively so that consumers will feel special which is shown by expressions of gratitude through purchases. Another factor that is considered to be able to affect the level of user loyalty to an e-commerce is social commerce trust (Nadeem et al., 2020). This is because e-commerce focuses on business transactions using the internet. Therefore, e-commerce must be able to guarantee the level of consumer confidence in the existence of the internet. Through trust, a consumer will provide support related to the purchase decision to be established. Trust is one of the keys to successful e-commerce. Without the trust of consumers, it is impossible for online transactions to occur (Liang & Turban, 2011). Therefore, the biggest long-term obstacle to the success of the internet as a commercial medium in the market is the lack of consumer confidence in e-commerce.

Social presence and social commerce trust will cause a commitment for e-commerce users (Nadeem et al., 2020). In the sense that the better the social presence and social commerce trust, the user kaan has a high commitment to an e-commerce which will have an impact on the loyal attitude of the user.

LITERATURE REVIEW

Loyalty

The stages of customer loyalty according to Goutam et al., (2021) are divided into four stages, namely the cognitive phase, the affective phase and the conative phase and the action phase. Cognitive phase, where information about a brand, product or service received by the customer indicates that the company is better or more desirable than the alternative. At this stage customers are most vulnerable to

moving to another company in the presence of stimuli from marketing activities. Affective phase, that is, loyalty as an accumulation of satisfaction over a particular brand, product or service. According to Mas-Machuca et al., (2021) loyalty variables can be measured using 3 indicators, namely: providing consumer recommendations for others, giving positive statements to a product, having the desire to reuse the product.

Commitment

Commitment to brand communities refers to the psychological attachment between each user within a particular store brand community, their desire to maintain relationships between them, reject short-term benefits and support the long-term benefits of the relationship between consumers and the store brand community they follow (Wolf et al., 2018). In this case, commitments between community members are derived from their interactions through the plattorm community (Goutam et al., 2021). According to Fang et al., (2016) can be measured through 4 indicators consisting of: the customer feels that e-commerce is part of life, the planggan hopes to continue shopping on the e-commerce site, the customer feels attached to the e-commerce site, the customer believes that e-commerce is his favorite shopping place.

Social Presence

Thuy et al., (2015) define Social Presence as the extent to which users can feel the presence of others in the communication process, namely in making online purchases in a store. Consumer social presence can increase if the online store is equipped with interesting interactions from the online store to consumers, such as texts, personal greetings, or other suggestions that show the impression of social presence on consumers (Hassanein et al., 2009). Social presence insocial trading is defined as "the degree to which the social trading environment allows customers to establish personal, warm, intimate and friendly interactions with others" (Zhang et al., 2014). According to Lu et al., (2016) the variable social presence can be measured through 3 indicators consisting of: social presence of the web, social presence of interaction, social presence of others.

Social Commerce Trust

Social Commerce Trust refers to the subjective belief of consumers that other consumers on the web such as social commerce can be trusted and web technologies such as social commerce can be relied on to carry out buying and selling activities (Lin et al., 2019). Trust is considered a prerequisite for online transactions due tothe high levelof uncertainty that characterizes e-commerce in general and social commerce in particular (Lee, 2015). Previous studies have considered beliefs from different perceptions. This approach is in line with (Lin, 2019). Therefore, we capture trust in social media, ecommerce websites, social commerce features and social commerce consumers. According to Nadeem et al, (2020) social commerce trust can be measured through 3 indicators, namely: trust in social media, trust in electronic commerce site, trust in social commerce consumers.

Based on the theoretical studies and hypotheses developed, the conceptual framework of the research can be formulated in the conceptual framework of the research below:

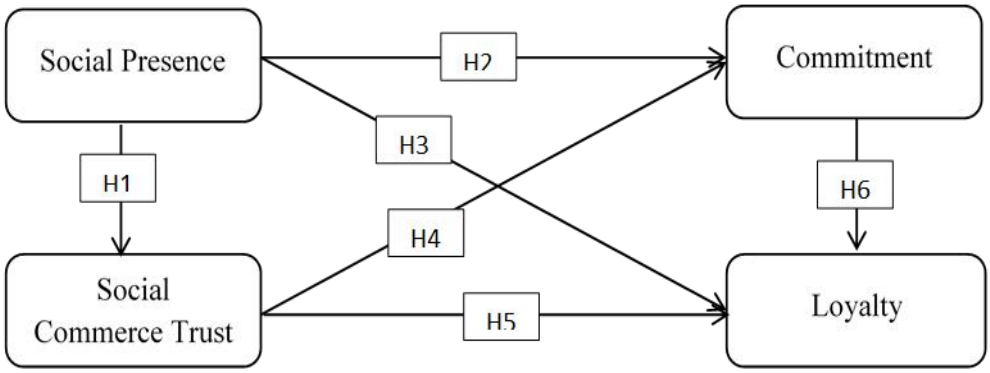

Figure 2. Conceptual Framework

METHOD

The research to be carried out is classified as causative descriptive research. Causative descriptive research is a study that aims to show the direction of the causal relationship between free variables and bound variables. The population in this study is all E-commerce users in the city of Padang. In this study, the researcher chose a purposive sampling technique and determined the minimum number of samples using the Cochran formula (1963: 75) and obtained the number of samples of 273 samples. The data in the study were tested using a covariance-based structural equation modeling (CB-SEM) method operated through SEM-PLS software.

RESULTS AND DISCUSSION

The measurement model (outer model) is used to assess the validity and reliability of the model. Validity tests are carried out to determine the ability of research instruments to measure what should be measured. Measurements can be categorized as having good validity if the outer loading value >0.7 and the AVE value >0.5 (Sugiyono, 2018).

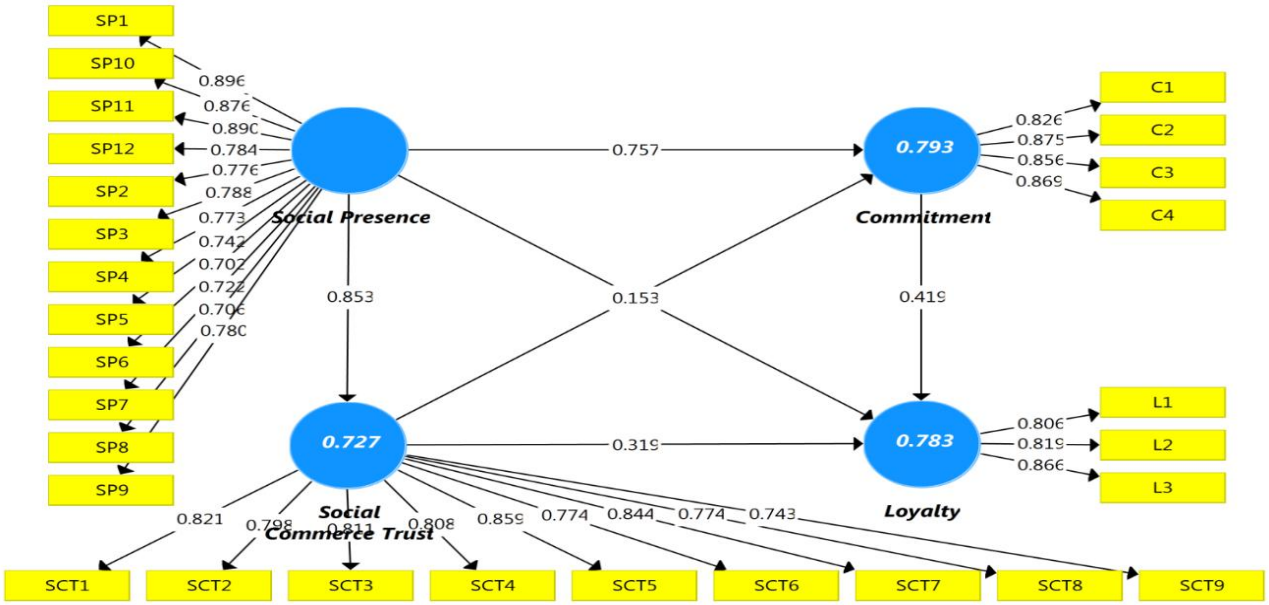

Figure 3. Structural Model Results

In the measurement model of convergent validity, it is also seen from the values of AVE (Average Variance Extracted). The following is a table of the AVE (Average-Variance-Extracted) values on each variable.

Tabel 1. ***Average-Variance-Extracted*** **(AVE)**

Variable	AVE
Commitment	**0.734**
Loyalty	**0.690**
Social Commerce Trust	**0.647**
Social Presence	**0.622**

Source: Primary Data 2021

Based on the data in Table 1, it shows that the AVE values on all variables have met the required rule of thumb, with the AVE values must be greater than 0.50 (AVE > 0.50).

Reliability test aims to show that the instrument can be used if the instrument has reliable and reliable results. In this reliability test, there are two measures of reliability that must be observed, namely composite reliability and cronbach's alpha.

Table 2. ***Cronbach Alpha and Composite Reliability***

Variable	Cronbach's Alpha	Composite Reliability (0,7)	Information
Commitment	**0.879**	**0.917**	Reliable
Loyalty	**0.775**	**0.870**	Reliable
Social Commerce Trust	**0.932**	**0.943**	Reliable
Social Presence	**0.944**	**0.952**	Reliable

Source: Primary Data 2021

Based onthe results of processing the data, it can be seen that the value of composite reliability and Cronbach's alpha of each construct exceeds 0.7. If referring to the rule of thumb the value of composite reliability and cronbach's alpha whose value must be greater than 0.7 (>0.7) then all variables of the researcher are declared reliable.

Structural Model Test (Inner Model)

Testing of structural models or inner models is carried out to see the relationship between the construct, significance value and R-Square of the research model. Here are the results of the R-Square estimate using SmartPLS.

Table 3. R-Square

Variable	R-Square value
Commitment	0.793
Loyalty	0.783
Social Commerce Trust	0.727

Source: Primary Data 2021

The coefficientoof determination using an R-square indicating some percentage of independent or dependent variation can be explained by the hypothesized variable affecting it. The higher the R-square of avariable, the better the model. To note, R-square is found only on endogenous constructs.

Hypothesis Testing

Table 4. Hypothesis Test Analysis Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDE|)	P Values
Social Presence -> Social Commerce Trust	0.853	0.853	0.021	39.665	0.000
Social Presence -> Commitment	0.757	0.762	0.051	14.754	**0.000**
Social Presence -> Loyalty	0.197	0.198	0.092	2.140	**0.033**
Social Commerce Trust -> Commitment	0.153	0.147	0.058	2.615	**0.009**
Social Commerce Trust -> Loyalty	0.319	0.317	0.059	5.387	**0.000**
Commitment -> Loyalty	0.419	0.420	0.079	5.294	**0.000**

Source: Primary Data 2021

In PLS statisticalttesting of any hypothesized influencesis carried out using simulations. In this case, the bootstrap method is carried out against the sample. Bootstrapping testing is also intended to minimize the problem of abnormalities of research data. The results of testing with bootstrapping from the PLS analysis showed that all hypotheses in this study were accepted and supported.

CONCLUSION

This study aims to analyze the influence of social presence, social commerce trust and commitment on loyalty in e-commerce users. To analyze the relationship between these variables, this study used Partial Least Square (PLS). Basedon the analysis and discussion in the previous section, it can be concluded that all hopitesis in this study can be accepted. This explains that all independent variables are able to have a significant influence on dependent variables.

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