

**THE INFLUENCE OF PERCEIVED BENEFITS DIMENSION ON
PURCHASE INTENTION IN SOCIAL COMMERCE CONTEXT**
(Study at Social Commerce Users in Bandar Lampung)

Undergraduate Thesis

By

TIA UTARI



**FACULTY OF ECONOMICS AND BUSINESS
THE UNIVERSITY OF LAMPUNG
BANDAR LAMPUNG
2018**

ABSTRACT

THE INFLUENCE OF PERCEIVED BENEFITS DIMENSION ON PURCHASE INTENTION IN SOCIAL COMMERCE CONTEXT (Study at Social Commerce Users in Bandar Lampung)

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Purchase made by consumers on online shopping through social commerce has a variety of perceived benefits. The purpose of this study was to examine the effect of utilitarian value, hedonic value, and social value on purchase intention in social commerce context.

Data were collected through a questionnaire distributed to 100 social commerce users in Bandar Lampung, by using purposive sampling method, which is based on the criteria of consumers who make purchase through social commerce context. The analysis technique used is multiple linear regression analysis.

The results showed that the utilitarian value, hedonic value, and social value can influence consumer purchase intention to make purchases in social commerce context. The research also found that social value as one of the perceived benefits dimension as the major of perceived benefits dimension that has influenced the customers to have purchase intention in social commerce context.

Keywords: utilitarian value, hedonic value, social value, purchase intention, social commerce context.

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Researcher

TIA UTARI

Undergraduate Thesis

As One of Requirements to Achieve
BACHELOR OF ECONOMICS

In

Management Department
Faculty of Economics and Business University of Lampung



**FACULTY OF ECONOMICS AND BUSINESS
THE UNIVERSITY OF LAMPUNG
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2018**

Thesis Title : **THE INFLUENCE OF PERCEIVED BENEFITS
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(Study at Social Commerce Users in Bandar Lampung)**

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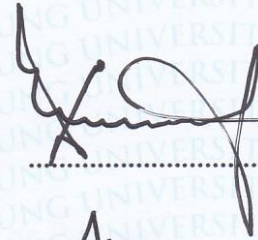
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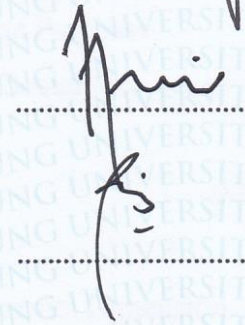
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Hereby declare that:

1. Undergraduate thesis title “The Influence of Perceived Benefits Dimension on Purchase Intention in Social Commerce Context (Study at Social Commerce Users in Bandar Lampung)”, is my own and I do not plagiarism or quoting on works by other author except in my writing clearly listed in the References.
2. Submit entirely the result of my research in the form soft copy and hard copy thesis to be published to the electronic and public media to the Management Faculty of Economics and Business, the University of Lampung
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Bandar Lampung, 3 July 2018



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BIOGRAPHY

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MOTTO

Man Jadda Wa Jadda
“whoever strives shall succeed”

“It does not matter how slowly you go, as long you do not stop”
(Confucius)

كُلُّ شَيْءٍ يَسْرًا (6) يَسْرًا (5)
“Karena sesungguhnya sesudah kesulitan itu ada kemudahan.
Sesungguhnya sesudah kesulitan itu ada kemudahan.”
(Asy Syarh, 5-6)

“Hidupmu ditentukan oleh masa depanmu, mimpimu dan keinginanmu”
(Rando Kim, Time of Your Life)

DEDICATIONS

With gratitude of all joy and blessings given by Allah SWT, this thesis is
dedicated to the most important people in my life, :

**My dearest parents, My Father Marwan Ys, A.Md. (Alm) and My Mother
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Thank you for all the support that given to me. Thank you for believing in me and
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Bandar Lampung, July 2018

Tia Utari

CONTENT LIST

	Page
CONTENT LIST	i
TABLES LIST	iv
FIGURE LIST	vi
APPENDIX LIST	vii
I. INTRODUCTION	1
A. Background	1
B. Problem Statement	7
C. Research Purposes	8
D. Benefits of Research	9
II. LITERATURE REVIEW, FRAMEWORK, AND HYPOTHESIS ..	11
A. Theoretical Basis	11
a. Marketing	11
b. Perceived Value	12
c. Perceived Benefits	13
d. Perceived Benefits Dimension	14
A. Utilitarian Value	14
B. Hedonic Value	15
C. Social Value	17
e. Social Commerec	18
f. Purchase Intention	20
g. Previous Research	21
B. Framework	22
C. Hypothesis	23

III. RESEARCH METHODS	24
A. Research Design.....	24
B. Data Collection Method.....	24
C. Population and Sample.....	25
D. Operational Variables.....	27
E. Measurement Scale Variables.....	29
F. Analyzing Data Method.....	29
IV. RESULTS AND DISCUSSION	34
A. Characteristics of Respondents.....	34
a. Gender.....	34
b. Age.....	35
c. Occupation.....	35
d. Type of Social Media Used.....	36
e. Online Shopping Experience.....	37
f. Social Commerce Used.....	37
g. Frequency of Using Social Commerce Sites.....	38
B. Analyzing Data Method.....	39
1. Qualitative Data Analysis.....	39
1. Description of respondents question the utilitarian value variables.....	39
2. Description of respondents question the hedonic value variables.....	41
3. Description of respondents question the social value variables.....	42
4. Description of respondents question the purchase intention variables.....	44
2. Quantitative Data Analysis.....	46
a. Multiple Linier Regression.....	46
C. Validity Test.....	47
D. Reliability Test.....	48
E. Hypothesis Testing.....	49
a. F Test Results.....	49

b.	Partially Significance Testing (t-Testing)	51
c.	Test Results The Coefficient of Determination	52
F.	Discussion	53
V.	CONCLUSIONS AND RECOMMENDATIONS	59
A.	Conclusions	59
B.	Recommendation.....	60
REFERENCES		

TABLE LIST

	Page
Table	
Table 1.1 Social Networks That Offer The Social Commerce Space	4
Table 1.2 Apjii Report 2016 Social Media Content Most Visited	6
Table 2.1 Previous Research	21
Table 3.1 Operational Variables	28
Table 4.1 Percentage Respondents Based on Gender	34
Table 4.2 Percentage Respondents Based on Age	35
Table 4.3 Percentage Respondents Based on Occupation	35
Table 4.4 Percentage Respondents Based on Type of Social Media.....	36
Table 4.5 Percentage Respondents Based on Online Shopping Experience.....	37
Table 4.6 Percentage Respondents Based on Social Commerce Used	38
Table 4.7 Percentage Respondents Based on Frequency of Using Social Commerce Sites	38
Table 4.8 Percentage of Respondents Statement About Utilitarian Value.....	39
Table 4.9 Percentage of Respondents Statement About Hedonic Value.....	41
Table 4.10 Percentage of Respondents Statement About Social Value.....	43
Table 4.11 Percentage of Respondents Statement About Purchase Intention	45
Table 4.12 Regression	46
Table 4.13 Validity Test Result	48
Table 4.14 Reliability Test Result	49
Table 4.15 F Test Results.....	50

Table 4.16 t – Test Results	51
Table 4.17 Test Results The coefficient of determination R^2	53

FIGURE LIST

	Page
Figure	
Figure 1.1 Number of Internet Users in Indonesia	2
Figure 2.1 Proposed Research Model.....	23

APPENDIX LIST

APPENDIX	Page
1. Research Questionnaire.....	APP-1
2. Tabulation Results.....	APP-2
3. General Description Frequency of Respondent	APP-3
4. Frequency of Respondent to Respondent.....	APP-4
5. Validity Test.....	APP-5
6. Reliability Test.....	APP-6
7. Regression Test, F Test, t Test, and Coefficient of Determination...	APP-7
8. T Table	APP-8
9. F Table	APP-9

I. INTRODUCTION

A. Background

The development of the internet has made an effect on the development of the social media functions. People nowadays not only use social media to stay connected with their family, friends, and colleagues, but they use the same channels to sell and buy goods. They use social media as one of the channels to do an online shopping. The continual development of the internet has made online shopping become more popular in the social media.

The internet has become one of the major message sources helping consumers to make purchase decisions. With the continual development of the internet, its also affect the function of social media. It's easier and convenient to use social media to do an online shopping rather than other platforms. The reasons why people are using social media for doing an online shopping because they can see other people ratings, comments, also a review of the product that they want to buy. It also allows them to communicate with the company and other buyers.

Nowadays, internet can be accessed easily by everyone. We can access internet anywhere and anytime. Based on survey that has been done by Indonesian Internet Service Provider Association (APJII), by 2017 the population of Indonesia as much as 262 million and as many as 143 million are Internet users. Figure 1.1 shows the number of Indonesia internet users reached 143,26 million

people by the end of 2017. Indonesian internet users increased by 10,56 million people from the year 2016 amounted to 143,26 million people in 2014.

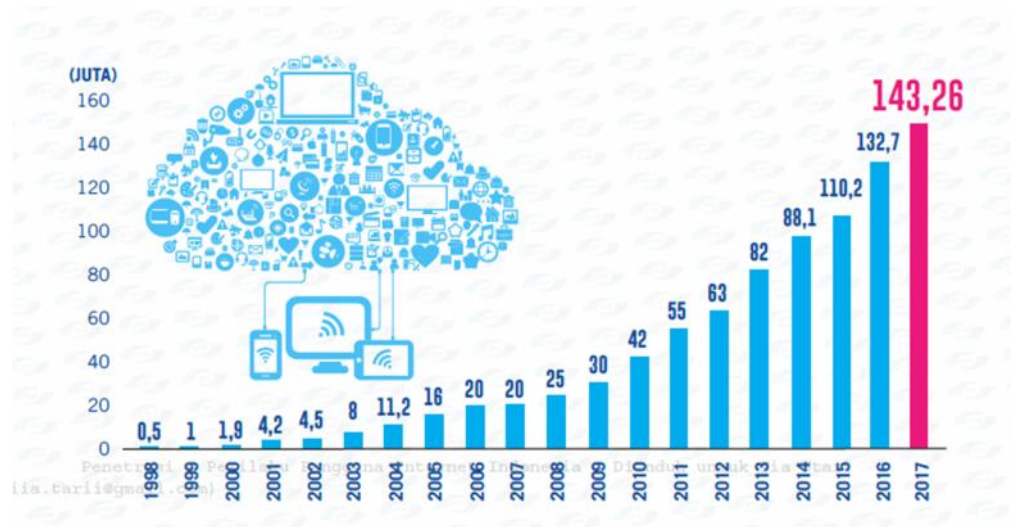


Figure 1.1 Number of Internet users in Indonesia 1998 – 2017

Source: APJII (Association of Indonesian Internet Service User).

The Internet has made it possible for consumers to share reviews, opinions, and thoughts about products and services on online shopping websites. This user-generated content (UGC), which can be considered to be part of social commerce, is likely to influence other consumers' attitudes toward a product and subsequent purchase intentions. The Internet presents a social and economic opportunity for businesses to capitalize on electronic communities. E-commerce has given rise to a new phenomenon, *social commerce*, which includes reviews and blogs that serve to influence consumers attitude, decision-making, and purchase intention.

With the popularity of online shopping that has made information easily accessible, consumer information processing uses an integrated process where product attributes, specifications, and information available from images, videos, blogs, and reviews are used for product evaluation and to make a final purchase decision about the brand that will meet users' needs. The decision-making process

that leads to comprehension and attention is influenced by a consumer's motivation, ability, and opportunity to process salient information about their environment. UGC has the potential to impact change in attitude toward a product and/or the ability of the consumer to form an opinion of the product which may affect the propensity to make purchase decisions about the product. Companies may be contemplating whether favorable UGC results in increased sales or adds business value (Hazari et al, 2016).

One of the media that got the benefit from that event is social media. Social media represents one of the most important platforms for electronic commerce and amplifies the ability for communication with large numbers of consumers. It has one of the most metamorphic impacts on business and remarkably revolutionizes the way the consumers and organizations interact. Social media tools provide improved communication and collaboration between firms and their stakeholders (e.g. customers, suppliers, business partners) an innovative way for firms to identify products with high selling potentials, and a better channel for attracting and retaining online customers. The increased acceptance of social media has given rise to social commerce due to the increased popularity of social networking sites such as Facebook, LinkedIn, and Twitter. Social commerce is a new form of e-commerce that involves using social media that supports social interaction and consumer contribution to assist online buying and selling of products and services (Chen, *et al*, 2017).

Chen and Sheng (2015) stated that although social commerce is often regarded as the combination of social media and e-commerce, social commerce, as an emerging and promising field of inquiry, is different from the traditional e-

commerce in two important ways. First, social commerce is built on various types of social media, such as Facebook, Twitter, WhatsApp or WeChat, and take all of the key aspects of the social web. Recent work has identified four core features of social media, including digital profile, search and privacy, relational tie, and network transparency, which differentiate social commerce from other Internet retailers such as Amazon and eBay. Second, social commerce focuses on social media-supported commercial activities. Therefore, people can freely share their consumption experience on product or service and ask for advice and suggestions from their online friends, rather than strangers. By contrast, traditional e-commerce primarily relies on system features such as user-friendly product categorization, search engine, shopping cart or preference-based recommender systems to enhance the efficiency of online purchase behavior.

Table 1.1 SOCIAL NETWORKS THAT OFFER THE SOCIAL COMMERCE SPACE

No	Name of Social Commerce
1	Facebook
2	Twitter
3	Instagram
4	Pinterest
5	Youtube

Source: Kholod, Anastasia (2017)

There are five social networks that offer the social commerce space: Facebook, Twitter, Instagram, Pinterest, and Youtube. Business owners can build "Shop Now" stores and use Messenger to communicate with the customers before, during, and after the purchase of the Facebook platform. Twitter also provides the "Buy Now" button in their platform for providing the possibility to carry out payment transactions directly from the platform. Pinterest launched "Buyable Pins" in 2015 to provide the social commerce space in their platform. Instagram

provides action tools button "Shop Now" and "Install Now" for the users to make easy the purchases. Besides that, the platform also offers video ads, photo ads, and carousel ads that can be used by retailers to attract and convert customers. Youtube provides the pre-roll ads that enable the customers to make a purchase directly from the window.

Social commerce enables users to participate in the process of selling, comparing and sharing various products and services in both online and offline contexts. Users could not only easily learn how others evaluate the products and services and ask for suggestions from others before buying, but also freely share their experiences on the products and services after buying. It is believed that social commerce is changing the way users consume and it grows at a rapid speed in recent years (Gan and Wang, 2017).

Based on the data from *APJII (Asosiasi Pengguna Jasa Internet Indonesia)* in 2016 the content that most visited is web online shopping for 82,2 million or 62%. Also the social media content that most visited by user is Facebook for 71,6 million users or 54% then followed by Instagram for 19,9 million users or 15%, next is Youtube for 14,5 million users or 11%, then Google+ for 7,9 million users or 6%, and then followed by Twitter and LinkedIn for 7,2 million users or 5,5% and 796 thousand users or 0,6%.

**TABLE 1.2 APJII REPORT 2016
SOCIAL MEDIA CONTENT MOST VISITED**

No	Social Media	Number of Users	Percentage (%)
1	Facebook	71,6 million	54
2	Instagram	19,9 million	15
3	Youtube	14,5 million	11
4	Google+	7,9 million	6
5	Twitter	7,2 million	5,5
6	LinkedIn	796 thousand	0,6

Source: APJII (*Asosiasi Pengguna Jasa Internet Indonesia*) Report 2016

With many people now that are using social commerce and considering the huge market potential of social commerce in the future, it is necessary to pay special attention to what motives that drive users to engage in social commerce activities. For businesses to survive and develop in the increasingly competitive environment, perceive value is needed in order to compete. Thus, there is a need to more understand the effects of perceived benefits dimension on purchase intention in social commerce context (Gan and Wang, 2017).

Prior research has empirically validated the effect of perceived value on user behavior in a variety of commercial contexts, such as traditional mall shopping, online shopping, and mobile shopping. However, extant studies mainly focus on the general perceived value, and less attention has been paid to the dimensions of perceived value. Moreover, though some studies have revealed the effects of utilitarian and hedonic values on user behavior, there is a lack of research on the role of social value. In the context of social commerce, users not only seek for values of utilitarian and hedonic, such as convenience and enjoyment but also pursuit social value, such as interaction with others and the self-fulfillment (Gan and Wang, 2017).

The previous study shows that perceived benefits (as part of the perceived value) have a significant effect on users satisfaction. According to Zeithaml (1988), perceived benefits are related to the benefits that users obtain from the products or services. Rintamäki *et al.* (2006) decomposed customer value department store into utilitarian value, hedonic value, and social value. Hu *et al.* (2015) found that online social value has significantly affect satisfaction and continued use of social media. The previous study found that satisfaction has been identified as an important factor affecting purchase intention in the commercial context.

Utilitarian value experienced by using social commerce sites include convenience and cost reduction, and it focuses on user perception of the utility and performance. Hedonic value experienced by using social commerce sites is related to the nonfunctional benefits include enjoyment and happiness and it pays more attention to the emotional benefits. Social value experienced by using social commerce sites include the enhancement of status and self-esteem, enable users to acquire more sense of self-identification from social commerce sites.

This study will examine the effect of the dimensions of perceived benefits of purchase intention in social commerce context with a sample of people in Bandar Lampung ever shopped as a research subject. Dimensional perceived benefits observed in this study refers to research results Gan and Wang (2017), namely Utilitarian Value, Hedonic Value, and Social Value.

Based on the description above, this research title is **“The Influence Of Perceived Benefits Dimension On Purchase Intention In Social Commerce Context (A Survey of Social Commerce Users) ”**.

B. Problem Statement

Based on the background of the problem described above, the way people shopping has changed following the era. The revolution of shopping has changed from traditional shopping, online shopping, and now people use social media for online shopping. With the development of the internet and social media become of one the channel for people to do an online shopping, it also changes people behavior. With social media, people can easily share the experience and opinion from doing online shopping. People can share the good things until the bad things that they perceived from doing an online shopping. The problem could arise if people share about their bad experience. When people share about their good experience from social commerce shopping it will be good sample experience for others, but if they share the bad things about it, people will think twice before making a purchase in social commerce sites. Social commerce not only focus on the quality of the product but also pay more attention to people experience from doing social commerce shopping. There is a perceived that they got when they are doing an online shopping through a social commerce. Indonesia people still not accustomed to have their shopping done by online shopping. Even social commerce shopping is convenient and easy to do, but still they will be more comfortable and have more trust about the product and the whole of shopping experience when they are doing the traditional shopping. Based on survey that has been done by Indonesian Internet Service Provider Association (APJII), by 2017 only 32,19% of Indonesian internet users who use internet for online shopping and 45,14% use internet just to find the price. However, this study wants to focus on the influence of perceived benefits dimension on intention to purchase through

social commerce context. The study will focus on people who have the intention to use social commerce platform and whoever make purchases in social commerce platform, to see what influence of perceived benefits dimension on purchase intention in social commerce context. Based on these descriptions, researchers identified the problem as follows:

- a. Does utilitarian value have a positive influence toward purchase intention?
- b. Does hedonic value have a positive influence toward purchase intention?
- c. Does social value have a positive influence toward purchase intention?

C. Research Purposes

The purposes of this research are:

1. To know that the utilitarian value has a positive influence toward purchase intention
2. To know that the hedonic value has a positive influence toward purchase intention
3. To know that the hedonic value has a positive influence toward purchase intention

D. Benefits of Research

There are several benefits obtained in this research study:

1. For Researchers.

Acquire knowledge both theory and practice, especially for perceived benefits dimension and purchase intention in the social commerce context

2. For Practitioner

To measure the success of perceived benefits dimension that will influence the purchase intention in social commerce context.

3. For Academics

As reference material, especially in the perceived benefits dimension and purchase intention in social commerce context. The research also can be a comparison to other researchers who discussed the same topics.

II. LITERATURE REVIEW, FRAMEWROK, AND HYPOTHESIS

A. Theoretical Basis

a. Marketing

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Therefore marketing is about delivering value to stakeholders, that is, to everyone who is affected by a transaction. Organization that seek to ensure their long-term profitability by identifying and satisfying customers' needs and wants have adopted the marketing concept. Marketing is also about exchanges or the transfer of value between a buyer and a seller (Solomon et al, 2012).

Kotler and Keller (2012) define marketing as an identification process and the crossing between human needs and society needs or it may be simply defined as fulfillment of beneficial needs. Marketing definition according to American Marketing Association on Kotler and Keller (2012) is activities, a number of institutions and process of creating, communicating, delivering and supply exchanging with its own value for customer, client, partner and society as a whole.

Marketing is much broader sense of meaning sales. Marketing includes the company's business that starts with identifying consumers' needs to determine how the promotion and distribution or sales of these products. Marketing activities are activities associated with the system and the final goals is to help the organization achieve its object. The main objective of the company is for profit. While other destinations are getting adequate funding to carry out activities of social and public services. All activities in a company that embraces the concept of marketing should be directed to meet those objectives. The use of the concept of marketing for a company can support the success of the business.

b. Perceived Value

Value is the benefits a customers received from buying a good or service. Marketing communicates these benefits as the value proposition to the customer. For customers, the value proposition includes the whole bundle of benefits the product promises to deliver, not just the benefits of the product itself. Sellers determine value by assessing whether their transactions are profitable, whether they are providing value to stakeholders by creating a competitive advantage, and whether they are providing value through the value chain. Customers generate value when they turn into advertising directors, retailers, and new product development consultants, often through social networking. Society recieved value from marketing activities when producers and consumers engage in ethical, profitable, and environmentally friendly exchange relationships (Solomon et al, 2012).

Perceived value was firstly introduced by Monroe and Krishnan who have proposed that whether consumers make a purchase or not would depend on the correlation between the gains they get from the product they want to buy and the cost they pay for it. The more perceived gains exceed the perceived cost, the higher consumers' perceived value.

Perceived value is a primary customer motivation for buying or using a certain product or service, and gains considerable attention in the fields of marketing and psychology. Scholars likely define perceived value as the benefit a customer derives from a seller's offering. Thus, the understanding of perceived value is an important issue for service providers to manage customer relationship in the marketplace (Yen, 2013).

Perceived value is defined as a trade-off between benefits and sacrifices (costs), i.e. the consumer's overall assessment of the utility of a product or service based on what is received and what is given (Zeithaml, 1988). According to Chiu et al (2014), perceived value is a function of benefits and costs. Time, effort and price can be viewed as the costs of online shopping. This study formulated time, effort and price in a positive way as convenience and monetary savings– benefits.

c. Perceived Benefits

Perceived benefit is related to the benefits users obtain from the products or services (Zeithaml, 1988). The term of online shopping depends on the consumers' perception over the activities that conducted through the Internet. Although the Internet provides some risks, in a different point of view Internet

also gives big benefits to consumers. Customers would like to purchase online because they discover the advantages of using it (Tanadi et al, 2015).

Extant research revealed three dimensions of perceived benefits, including utilitarian value, hedonic value and social value. In social commerce context, values of utilitarian and hedonic are crucial for motivating user behavior; moreover, social value plays an important role in determining user behavior (Rintamäki et al., 2006).

d. Perceived Benefits Dimension

A. Utilitarian Value

According to Stigler's economic utility theory, utilitarian value is defined as the perceived utility of a product or service based on its capacity for functional or physical performance. Specifically, it is derived from product's characteristics or attributes such as reliability, durability and price, and related with the information processing mechanism from the point of view which insists that consumers seek utilitarian value in rational manner in order to maximize their utility (Kim et al, 2013).

According to Kim et al, (2013), utilitarian value considered as the primary choice that driver the consumer choice and its associated with the product or service which proving instrumental in fulfilling functional goals. Moreover, owing to the fast spread of smart phones, flexibility of use and convenience of time and place could also motivate consumers to use social commerce in order to enhancing utilitarian value (Kleijnen, Ruyter, & Wetzels, 2007).

Avcilar and Özsoy (2015) stated that Perceived utilitarian value is defined as “an overall assessment (judgment) of functional benefits and sacrifices”. Utilitarian value is relevant for task-specific use of online shopping, such as economic “value for the money” and judgments of convenience and time savings. In online shopping literature, “perceived utilitarian value” is an important variable that affects online shopping intentions. Many of researchers indicate that perceived utilitarian value has a positive relationship with intention to purchase/repurchase.

According Ozen and Kodaz (2012) on Sarkar (2011) and followed by To et al (2007), The utilitarian perspective assumes the buyer as a logical problem solver. Utilitarian motivation shows that shopping starts from a mission or task, and the acquired benefit depends on whether the mission is completed or not or whether the mission is completed effeciently during the process. It is described as critical, rational, decision efective, and goal oriented.

B. Hedonic Value

Hedonic value is defined as the value that a customer receives in terms of subjective experiences of fun and playfulness (Chen et al, 2017). Hedonic value refers to the emotional value that is the perceived utility of a product or service based on its capacity to stimulate feelings or emotional states. Hedonic value is derived from specific feelings that a customer engaged (Kim et al, 2013).

According to Soleimani et al (2016), The Hedonic value has a positive effect on consumer attitude toward online shopping and his decisions to accept technology. The most important motivating factor for online shopping is the Perceived Hedonic Value. According to previous researches, the different consumer

activities such as search information, chat, online shopping, etc. can create utilitarian or hedonic values for the user. In addition, different types of information systems environment, including discussion communities, video services, etc. provide utilitarian or hedonic values or a combination of both for online consumers. Therefore social commerce environment can create the hedonic values for users. Experiential shopping and bargaining perceptions are considered as hedonic values. Experiential shopping as hedonic value points to desire for enjoyable purchasing . This value has different names such as experiential values, entertainment, adventure. Bargaining perceptions by which consumers enjoy finding a good bargaining are considered as hedonic value so it has a positive impact on intention to purchase.

For consumers motivated by hedonic values, the experience itself is important. These consumers enjoy the experience without the need to make a purchase, but a purchase is a result of the experience. Hedonic values can include a desire for entertainment and escapism or the wish to find a good deal and the enjoyment of the hunt for a good bargain. The motivation positively influences consumers' attitudes toward online shopping and virtual shopping technology. Hedonic values also positively influence consumers' attitudes toward social network advertising (Anderson et al, 2014).

According to Ozen and Kodaz (2012), Hedonic shopping value is viewed as a positive experience where consumers enjoy an emotionally satisfying experience related to the shopping activity, regardless of whether or not a purchase is made. In other words, hedonic shopping value differs from utilitarian value. The hedonic aspect of shopping includes happiness, fantasy, awakening, sensuality, and

enjoyment. If a consumer has a hedonic motivation, s/he receives benefits from the experiential and emotional aspects of shopping. The underlying reason for why hedonic consumers love to shop is not about gaining the physical object or completing the mission, it is the enjoyment acquired from the shopping process itself.

Hedonic value is related to the non-functional benefits (i.e. self-fulfilling) derived from the use of social commerce sites, such as enjoyment and happiness, and it pays more attention to the emotional benefit (Gan and Wang, 2017).

C. Social Value

Broekhuizen (2006) defines social value as the utility derived from the product's ability to enhance social self-concepts, such as status. Along with hedonic and utilitarian values, social value is another important component explaining consumer's choice (Kim et al, 2013). According to Sweeney and Soutar (2001), consumers evaluate products not just by functional performance and value for money (i.e., utilitarian value); but also by enjoyment or pleasure derived from products (i.e., hedonic value) and the social consequences of what product interact with others (i.e., social value). More specifically, social value is the perceived utility of a product or service based on its ability to boost one's social well-being, and it is another important dimension in order to understand consumer behavior since people who want to represent their images evaluate social value (Beauvois and Dépret, 2008).

According to Kim et al (2013) social value shares thoughts with a thread of connection of the self-concept. William James (1890) was an earlier theorist who suggested that expressing themselves to others is an important dimension that

people build self-concepts. By using social commerce, which is an emerging trend of marketing tool, consumers may express themselves to others, feeling that they are early adopters of newly developed applications as well as reasonable consumers.

In other words, the motivation for purchasing products relies on the manner in which consumers view themselves or hope to be viewed by others. The use of social commerce, for example, can be shown as a social act in which symbolic meanings, social codes, relationships, consumer identity, and ego may be produced and reproduced. One of the reasons for adopting mobile technology is social value and college-aged consumers tend to perceive more social value on using new technology and systems. In this sense, consumers may feel a need to use social commerce so as to be seen as an innovative or intelligent member of the community. People who adopt social commerce for this purpose are likely to seek social value (Kim et al., 2013).

Social value is defined as the perception of social self-concept derived from using social commerce sites (Sweeney and Soutar, 2001). Sweeney and Soutar (2001) argued that users evaluate products and services not only by hedonic and utilitarian values (e.g. enjoyment and functional performance), but also by social value (i.e. social consequences). Social value is realized through the enhancement of status and self-esteem (Rintamäki et al., 2006).

e. Social Commerce

The considerable progress in Internet environment including Web 2.0 technology has provided many opportunities to develop ways to engage users in a virtual environment. In particular, Web 2.0 applications have provided the possibility for

individuals to create and maintain social network as online. Thus users can create content so that it provides new opportunities for both businesses and users. Social interactions on the Internet, especially social media have created a new trend called social commerce in the area of e-commerce. Social commerce means the use of Social and Web 2.0 technologies to support online interactions and users to access to goods and services on the Internet. Thus social media is very effective for the company's marketing. At the present time, companies use social media strategy to influence and sell their products and services (Soleimani et al, 2016).

Chen et al (2017), explained that social commerce is a new extension of e-commerce (electronic commerce) with added social networking sites featuring online platforms to support online interactions and user contributions to assist consumers in the acquisition of products and services. Not only are consumers able to discover what others are purchasing and to make purchase decisions, but they are also able to contact and maintain relationships with each other. Therefore, social commerce has the potential to attract increasing numbers of consumer visits, and increase the time spent on the sites; it has also been shown to improve customer decision making. Marketers can manage their relations with customers through these social networking sites, seek new business strategies to encourage consumer “engagement” and enable customers to connect with one another, thereby enhancing customer satisfaction and loyalty to further stimulate sales. Social commerce is a new form of e-commerce that connects consumers and shopping; it which has opened opportunities for new e-commerce business models.

f. Purchase Intention

Consumers' stated purchase intentions are one of the primary inputs that marketing managers use to forecast future sales and to determine how the actions they take will impact consumers' purchasing behavior. Between 70 and 90 percent of clients of market research suppliers indicated in a study that they regularly measure and use purchase intentions (Jamieson and Bass, 1989). Kim and Kim (2004) define purchase intention as the tendency of consumers with the identified aim where it is usually measured in terms of real purchasing. Moreover, Crosno, Freling & Skinner (2009) described that purchase intention refers to the possibility of purchasing a special brand in a product category during purchase.

Purchase intention can be defined as "what consumers think they will buy". Consumer intentions play an important role in marketing strategies (to implement four P strategies) because they permit companies to evaluate how many products could be produced according to the demand. To predict the purchase intention, companies can interview consumers about their past behaviors in order to forecast their future behaviors but the products that people bought in the past can be different of those they will buy. Thus another method is to ask consumers what they intend to do (Blackwell et al., 2006)

However, "measuring what people intend to do may sometimes be less predictive of their future behavior than measuring what they expect to do". So companies can also use behavioral expectations which represent "the likelihood of performing a behavior"; thus to forecast relevant purchase intentions a time

indication can be included the more the time distance is the more purchase behavior can change. Indeed it is easiest for a consumer to predict his/her purchase intention of a product tomorrow or in one month than in five years because behaviors change with time (Blackwell et al., 2006).

Kim and Pysarchik (2000) have demonstrated the existence of a strong correlation between these two respective constructs. Hence, they assert that purchase intention serves as an alternative for measuring consumers' purchase behavior. Therefore, consumers' intention toward a particular behavior has remained the central focus of well-known theories like theory of reasoned action (TRA).

This claim is also supported by Azjen (1991) who mention that intention is the factor that motivates consumers and in turn influences their behavior. To a greater extent, it reveals how hard consumers are willing to try, as well as the amount of effort they intend to exert for performing a respective behavior. According to them, the probability that a particular behavior will actually be performed by individuals largely relies on the strength of their intentions. When the intentions of performing certain behavior are strong, there are higher likelihoods that the respective behavior will be performed.

g. Previous Research

Table 2.1 Previous Research

No.	Researcher	Research Title	Research Method	Discussion
1.	Chunmei Gan, Weijun Wang, (2017), Vol. 27	The influence of perceived value on purchase intention in social commerce context	Structural equation model was conducted to assess the model and test the hypotheses.	Results show that satisfaction significantly and positively affects users' purchase intention in social commerce context. In addition,

Continued Table 2.1

No.	Researcher	Research Title	Research Method	Discussion
				utilitarian, hedonic and social values have significant and positive impacts on satisfaction and purchase intention; and utilitarian value is found to be the most salient factor influencing purchase intention, while hedonic value has the greatest effect on satisfaction. Moreover, perceived risk significantly and negatively affects satisfaction.
2.	Chen, Kuo-Wen et al (2017), Vol. 13	The role of utilitarian and hedonic value on users' continued usage and purchase intention in a social commerce environment	Study was conducted through an online survey on a social commerce website. SmartPLS version 2.0.M3 was used to conduct measurement validation and model testing.	The results showed that hedonic values and utilitarian values are significant predictors of behavioral intention to purchase and continue using social commerce.

B. Framework

Extant research revealed three dimensions of perceived benefits, including utilitarian value, hedonic value and social value. In social commerce context, values of utilitarian and hedonic are crucial for motivating user behavior; moreover, social value plays an important role in determining user behavior (Rintamäki et al., 2006).

Perceived benefits emphasis on the notion of benefits that a person will get when they do online shopping activities through social commerce. Users purchase intention in social commerce context are determined by perceived benefits dimension. The conceptual framework used in this study as follows:

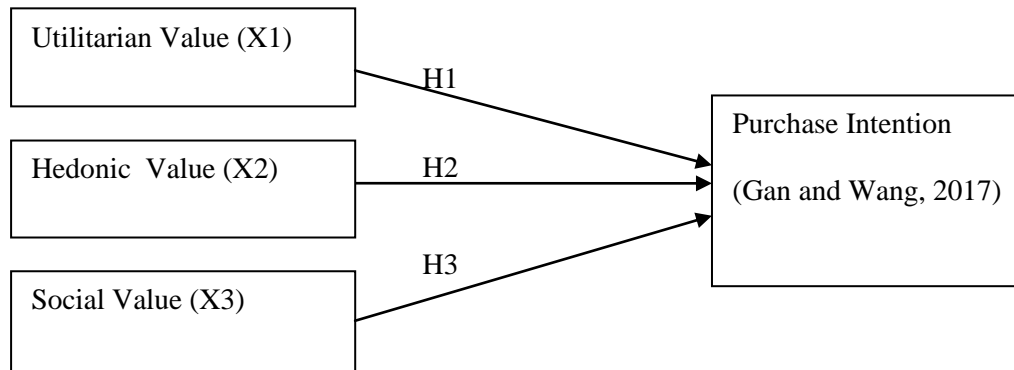


Figure 2 Proposed Research Model
Source : Gan and Wang, 2017

C. Hypothesis

The hypothesis is a temporary answer to the formulation of the problem that remains to be verifiable through research (Sugiyono 2010). This study analyze the effect of the perceived benefits dimension which are utilitarian value, hedonic value, and social value . The hypothesis in this research are:

H1 : Utilitarian value has positive influence toward purchase intention in social commerce context

H2 : Hedonic value has positive influence toward purchase intention in social commerce context

H3 : Social value has positive influence toward purchase intention in social commerce context.

III. RESEARCH METHODOLOGY

A. Research Design

The study design is a study design that is used as a guideline in conducting the research process. The study design will be useful for all parties involved in the research process as a step in conducting research refers to research designs that have been made. The research design used in this research is descriptive. Descriptive study according to Sanusi (2014) is a design research compiled in order to provide a systematic overview of scientific information derived from the subject or object of research.

B. Data Collection Method

Data collection methods are an integral part of research design, there are several data collection methods, each with its own advantage and disadvantages (Sekaran and Bougie, 2010). Data collection method is the most important step in the study (Sugiyono, 2013).

1. Research Library

The research library serve as the purpose as reference for this study which consists of journals, books, and other source that is related to this study.

2. Field Research

This research data collection method is field research by using questionnaire distribution to collect the data. Questionnaire is one of the

efficient data collection mechanism, it can be administered personally, mailed to the respondent, or electronically distributed (Sekaran and Bougie, 2010).

C. Population and Sample

1. Population

The population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate (Sekaran and Bougie, 2010). The population used in this study is social commerce users.

2. Sample

Sample is a part of a population that is expected to represent the population in the study. According to Sekaran and Bougie (2010), a sample is subset of the population. It comprises some members selected from it. In other words, some, but not all element of the population from the sample. The sample is used as measurement, which sample size will determine the magnitude of the study. It can be determined by statistics or by research estimation, meaning that all characteristic of the population must be a reflection or representative of selected sample. There are some factors affecting decisions on a sample size as research objective, the extent of precision desired, the acceptable risk in predicting that level of precision, the amount of variability in the population itself, the cost and time constraint, and in some cases, the size of population itself (Sekaran and Bougie, 2010). According to Supranto (2001), the guidance for collected sample size for unknown population that can be measured by:

$$n = \frac{1}{4} \left(\frac{z \alpha/2}{E} \right)^2$$

where,

n = the number of samples of the population to be obtained

z = figures that show deviations from the mean variance values

E = the maximum error that may be experienced

= the error rate of data that can be tolerated by researchers

when the 95% confidence level, meaning that researchers believe the error might expect a 5% ($\alpha = 5\%$), as well as the limits of error of 10%, which means that researchers only tolerate errors respondents in the process of collecting data must not exceed 10% of the total respondents, the size of the sample the minimum is,

$$n = \frac{1}{4} \left(\frac{z_{0,05/2}}{0,1} \right)^2$$

$$n = \frac{1}{4} \left(\frac{1,96}{0,1} \right)^2$$

$$n = \frac{1}{4} [384,16] = 96,04 = 96 \text{ respondent}$$

Based on this calculation, it is stated that numbers of respondents in this research were 96 respondents which is rounded to 100 respondents, who are representative from social commerce users where they have not been identified. Non-probability sampling is a technique that is used for this research in order to get the samples (Sekaran and Bougie, 2010). It is because there is no exact element in the population. This research used purposive sampling as one of the type of non-probability sampling. The sampling here is confined to specific types of people who can provide the desired information, either because they are the only ones who have it, or conform to some criteria set by the researcher (Sekaran and Bougie, 2010).

The criteria are using in this research are:

1. People who has social media
2. People who ever make social commerce
3. People who ever share their experience using social commerce in their social media.

D. Operational Variable

In this study, the operational variables that exists in this study are independent variables and dependent variables. Explanation of the variables according to Sugiyono (2009) "The research variable is an attribute or trait or value of people, objects or activities that have a particular variation defined by researchers to be studied and drawn conclusions". Operationalization of variables needed to determine the type, indicators, and the scale of variables -variable involved in this research. The variables involved in this research are:

1. The independent variable

The independent variable are variables that affect another variables and causing change within a variable to become a dependent variable. The independent variable (variable X) in this study is Perceived Benefits. Perceived benefits decompose into three different dimension which are utilitarian value, hedonic value, and social value.

2. The dependent variable

The dependent variable is the variable that is affected or that become due, because of the independent variables. And the dependent variable (Y) in this study is purchase intention.

Table 3.1 Operational Variables

Variable	Definition	Dimension	Indicator	Scale
Perceived Benefits	Perceived benefits related to the benefits users obtain from the products or services. (Gan and Wang, 2017)	1. Utilitarian value	b. Quality of products is reliable c. Good value of the products d. Quickly to find the appropriate product e. Convenient way of the websites	Likert Scale
		2. Hedonic value	a. Enjoy shopping from this website b. Feeling good when shopping in this website c. Feeling interesting d. Give pleasure to me when shopping with this websites	Likert Scale
		3. Social value	a. Feeling acceptable b. Make good impression on others c. Improve the way I am perceived d. Give the owner social approval	
Purchase Intention	The intention of the consumer to buy the product	1. Purchase Intention	a. Predict that would shop on this website in the future b. Intend to shop in the future c. Recommend others to purchase on this website	Likert Scale

- *Self-completion questionnaire*

A questionnaire is a preformulated written set of questions to which respondents record their answer, usually within rather closely defined alternatives. Questionnaires are an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variables of interest (Sekaran and Bougie, 2010). Thus the respondents can not be influenced by the interviewer; their answers should be more objective.

E. Measurement Scale Variable

According to Sekaran and Bougie (2010), a scale is a tool or mechanism by which individuals are distinguished as to how they differ from one another on the variables of interest to our study. So, the instruments will produce quantitative data are expressed in the form of numbers that would be more accurate, efficient and communicative when it is used in the measurements. This study used a questionnaire using Likert scale with interval types.

An interval scale allows us to perform certain arithmetical operations on data collected from the respondents, it helps to measure the distance between any two points on the scale (Sekaran and Bougie, 2010). This study used Likert scale, which is designed to examine how strongly subject agree or disagree with statement on a five-point scale with the following anchors (Sekaran and Bougie, 2010):

1. To answer to Strongly Disagree (SD) given score of 1
2. To answer Disagree (D) given score of 2
3. To answer Neutral (N) given score of 3
4. To answer Agree (A) given score of 4
5. To answer Strongly Agree (SA) given score of 5.

F. Analyzing Data Method

1. Analyzing Data Tools

a. Qualitative Analysis

Qualitative data is data research that is not a number, which nature can not be calculated in the form of information or explanation based on theoretical approaches and logical assessment. Qualitative analysis is

used to provide a descriptive overview of the responses given on the questionnaire or the respondents were given a list of questions and associated with marketing theories or approaches relating to green marketing, consumer behavior and purchase intention.

b. Quantitative Analysis

Analysis quantitative research is a way of processing the data is calculated using the systematic analysis. This study used a descriptive statistical analysis was used to analyze statistical data in ways that describe or depict the data that has been collected as and using multiple linear regression. Multiple linear regression test used to check the strength of the relationship between the independent variable and the dependent variable. Multiple linear regression can be seen in the following equation:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where:

Y = Purchase Intention

a = Constants

b = Regression Coefficient

X_1 = Utilitarian value

X_2 = Hedonic value

X_3 = Social value

e = Error

2. Validity Test

Testing the validity of this research carried out by the factor analysis done because the factor analysis is appropriate procedures in reducing and summarizing data correlated (Hair et al, 2006). Size will show the extent to which the validity of the measurement instrument able to measure what you want to measure. Stages look at the size of the test the validity using the following criteria:

- a) *KMO value*, size KMO sampling adequacy is use index to test the suitability of factor analysis. KMO value between 0.5 to 1 identifies, that factor is adequate.
- b) *Index Measure Of Sampling Adequacy (MSA)*, used to see intercorrelations between variables of factor analysis. MSA index between 0 and 1, the value of MSA approaching a perfect means predictable variables without error (Hair, 2006)
- c) *Communalities value*, is the estimate of the share or common variance between the variables. Index communalities more than equal to 0.5 (0,5), then the variable can still be predicted and analyzed further.
- d) *Factor loading*, is an indicator of the magnitude of the correlation factor is formed (Malhotra, 2007). Criteria for the validity of an otherwise valid indicator forming a factor if greater factor loading equal to 0.5 (0,5) or it would be better if a greater factor loading equal to 0.7 (0,7).

3. Reliability Test

Reliability testing according Arikunto (2006) is intended to determine the consistency of measuring instruments in use, or in other words the instruments have consistent results when used repeatedly at different times

for reliability test used technique Cronbach Alpha, where a instrument can be said to be reliable (reliable) if you have or alpha reliability coefficient of 0.6 or more.

4. Hypothesis Testing

Hypothesis testing is a method of decision-making that is based on the analysis of the data, either from controlled trials, as well as from observations (uncontrolled). In statistics a result can be said to be statistically significant if the incident is almost impossible due to accidental factors, in accordance with the limits of probability is predetermined.

a. Hypothesis Testing in Overall (F-Test)

This test is used to determine whether the independent variables are at the 95% confidence level or $\alpha = 5\%$. F test test results can be found in the table Annova (analysis of variance) of output SPSS 22.0. To answer the statistical hypothesis, namely:

Ho = variable X no positive and significant influence to variable Y.

Ha = variable X positive and significant influence to variable Y.

Criteria:

- a. Ho is not support and Ha is support, if the value of a significant (P Value) >0.05 .
- b. b.Ho is support and Ha is not support, if the value is significant (P Value) <0.05 .

b. Hypothesis Testing In Partial (t-test)

This test is used to determine whether the independent variables in the regression model partially significant effect on the dependent variable (Y) at a rate of 95% or

= 5%.

With the hypothesis:

- a. If the value of a significant (P Value) < 0.05 , (Ho) not support and support alternative (Ha) which means there is influence between independent variables and the dependent variable.
- b. When significant value (P value) > 0.05 then (Ho) support and not support alternative (Ha) which means there is no influence between independent variables and the dependent variable.
- c. **Determination Coefficient (R^2)**

Determination coefficient (R^2) is basically how big the capability of a model to describe dependent variable (Sugiyono 2011:257). The higher number of R^2 , the more important the variable is.

V. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusion

The internet has become one of the major message sources helping consumers to make purchase decisions. The continual development of internet also has an effect on social media functions.. Social media has made it possible for people to have done their shopping using their social media, called as social commerce. Perceived benefits that people get from doing social commerce will make a good experience to customers that can lead to purchase intention.

According to this reaserch, perceived benefits dimension has positive influence towards purchase intention in social commerce context. All of hypothesis in this research are accepted. There are:

1. The first hypothesis (H1) is “Utilitarian value has positive influence toward purchase intention in social commerce context” is accepted. It is supported by Table 4.16, which has shown t count of utilitarian value variable has value $3,072 > 1,985$ and it has significance value as $0,003 < 0,05$.
2. The second hypothesis (H2) is “Hedonic value has positive influence toward purchase intention in social commerce context” is accepted. It is supported by Table 4.16, which has shown t count of hedonic value variable has value $2,822 > 1,985$ and it has significance value as $0,006 < 0,05$.
3. The third hypothesis (H3) is “Social value has positive influence toward purchase intention in social commerce context” is accepted. It

is supported by Table 4.16, which has shown t count of hedonic value variable has value $4,221 > 1,985$ and it has significance value as $0,000 < 0,05$.

This research has shown that perceived benefits dimension has positively influenced the customers towards purchase intention in social commerce context. By having social value as the one of the dimension of perceived benefits as the major influence in this research. The perceived benefits dimension has a competitive advantage to the consumers to have purchase intentions.

B. Recommendations

1. Further studies it is needed to try adding more sample, as from this study the samples are mainly young people. As the social commerce become more popular in Indonesia, it is necessary to investigate other aged groups segments.
2. Further studies it is needed to try adding other variables that might influence the purchase intentions. This is because the three independent variable (utilitarian value, hedonic value, and social value) explain 79.9% of variation in the dependent variable purchase intentions in social commerce context.
3. There are limitations in using questionnaire to collect data because sometimes the respondents did not give an answer based on what they experienced. It might result better if we use the method used is the Focus Group Discussion (FGD) because the researchers will get in-depth information about purchase intentions in social commerce context.

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