

**TRUST LEVEL MEASUREMENT AND ANALYSIS OF SOCIAL
COMMERCE IN INDONESIA**

By

Andarini Larasasri
12111001

BACHELOR'S DEGREE
in
INFORMATION TECHNOLOGY
ENGINEERING AND INFORMATION TECHNOLOGY



SWISS GERMAN UNIVERSITY
EduTown BSD City
Tangerang 15339
Indonesia

August 2015

Revision after the Thesis Defense on 10th of August 2015

STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

Andarini Larasasri

Student

Date

Approved by:

Alva Erwin, ST., M.Sc., MTI

Thesis Advisor

Date

Dipl.-Inf. Kho I Eng

Thesis Co-Advisor

Date

Dr. Ir. Gembong Baskoro, M.Sc.

Dean

Date

ABSTRACT**TRUST LEVEL MEASUREMENT AND ANALYSIS OF SOCIAL COMMERCE
IN INDONESIA**

By

Andarini Larasasri
Alva Erwin, ST., M.Sc., MTI, Advisor
Dipl.-Inf. Kho I Eng, Co-Advisor

SWISS GERMAN UNIVERISTY

Trust is the most important part to establishing a relationship between sellers and buyers. The purpose of this study is to measure the trust level of Indonesian internet users towards social commerce in Indonesia. There are 4 antecedants in this study, which is Presence of Interaction, Perceived of Easiness and Purchase Intension. This study measuring the trust itself using 3 category, Trust Integrity, Trust Benevolence, and Trust Competence. An online questionnaire is conducted to gather the data from the people who frekuently purchased in Indonesian social commerce. After data was gathered, Structural Equation Modeling (SEM) was conducted. To get the value of latent variable from construct, Confirmatory Factor Analysis (CFA) was used in this study. The result of this study is the consumer trust level of social commerce in Indonesia is 53%. And it quite surprise because most of Indonesian people looks like doubting the social commerce.

Keywords—social commerce; trust; measurement; analysis; Indonesia



DEDICATION

I dedicate this thesis to my parents, my sister, all of my grandparents, and all of my friends.



ACKNOWLEDGEMENTS

First, I would like to thank and praise Allah SWT who blessed and guided me so I can finish this thesis.

Second, I would like to thank my thesis advisor, Alva Erwin and my thesis co-advisor, Kho I Eng, who spared his precious time to patiently help me, who shared the knowledge to guide me throughout making this thesis.

Then, I would like to give my unconditional thanks to my lovely parents, R. Yudhianto Prihantoro and Susy Dwi Yanti for their support, love, guidance, and motivation. My parents taught me a lot everything about life and giving me their advice to be a better person. I also would like to give my warmest thanks to my only sister, Andiyani Larasasri for supporting me.

To all my classmates, IT 2011. Thanks for our struggle-support relationship from first semester until eighth semester. I wouldn't finish my thesis on time without you guys.

I also would like to thank Gayatri Annisa Larasati, Fimel Gresiana, Aditya, Kevin Tantra, and Diandra Farhana for the laughter, so that I can work on this thesis with joy.

Table of Contents

CHAPTER 1 – Introduction	13
1.1 General Statement of Problem Area	13
1.2 Research Purpose	14
1.3 Research Problem.....	14
1.4 Significance of Study	14
1.5 Research Question and Hypothesis	15
1.5.1 Questions	15
1.5.2 Hypothesis.....	15
1.6 Thesis Structure	16
CHAPTER 2 – LITERATURE REVIEW.....	17
2.1 Social Media	17
2.1.1 Facebook.....	22
2.1.2 Twitter	22
2.1.3 Instagram.....	23
2.3 E-Commerce.....	17
2.4 Social Commerce.....	18
2.4.1 Types of Social Commerce.....	19
2.4.2 Importance of Trust in Social Commerce.....	20
2.5 Research Model and Research Model Hypotheses	24
2.5.1 Perception of Others and Trust.....	24
2.5.2 Presence of Interaction and Trust.....	25
2.5.3 Perceived of Easiness and Trust.....	25
2.5.4 Purchase Intention and Trust	25
2.5.5 Internet User Trust Measurement Analysis Towards E-Commerce System in Indonesia – Bimo Harsandi (2013).....	26
2.5.6 C2C E-Commerce Trust Level Measurement and Analysis in Indonesia – Sayid Ali (2014).....	27
2.5.7 Social Presence, Trust, and Social Commerce Purchase Intention: an Empirical Research – Baozhou Lu (2014).....	28
CHAPTER 3 – METHODOLOGY	29
3.1 Type of Study and Methodology.....	29
3.2 Data Gathering and Questionnaire	30

3.2.1	Questionnaire Part One	30
3.2.2	Questionnaire Part Two	31
3.2.3	Questionnaire Part Three	34
3.3	Data Validation	34
3.4	Collinearity Test.....	35
3.5	Reliability Test.....	35
3.6	Structural Equation Modeling	35
3.7	Validity Test.....	36
3.8	Goodness of Fit Test	36
3.9	Structural Model Analysis.....	37
3.9.1	Direct Effect Analysis.....	37
3.9.2	Indirect Effect Analysis	37
3.9.3	Research Model Hypotheses Testing.....	37
3.9.4	Squared Multiple Correlation Analysis	38
CHAPTER 4	- RESULT	39
4.1	Questionnaire Result.....	39
4.2	Descriptive Analysis	40
4.2.1	Demographic Profile of Respondents.....	40
4.2.2	Respondents Experience Using Social Commerce	46
4.2.3	Research Variable Descriptive Analysis	47
4.3	Structural Equations Modeling	53
4.4	Validity Test Result	54
4.4.1	Factor Loading Between Items and Construct	54
4.4.2	Squared Multiple Correlation of Items (SMC).....	55
4.4.3	Construct Reliability Analysis Result.....	56
4.5	Final Structural Equation Modeling After Validity Test	56
4.6	SEM Goodness of Fit Result.....	57
4.7	Structural Model Analysis Result	58
4.7.1	Model Hypothesis Testing	59
4.7.2	Squared Multiple Correlation (SMC) Result	61
CHAPTER 5	- CONCLUSION.....	63
5.1	Conclusion	63
5.2	Recommendation.....	63

GLOSARY.....	65
REFERENCES.....	67
APENDIX.....	70
CURICULUM VITAE.....	89

