

The impact of cultural values, security perceptions, and influencer interactions on social commerce adoption in Indonesia

Sabirin Sabirin¹, Ela Elliyana², Rosmiati Rosmiati³

Universitas Palangka Raya, Indonesia

sabirinmee@gmail.com



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Abstract

Purpose: The transformation from e-commerce to social commerce has had a significant impact on consumer behaviour in Indonesia. This study aims to analyse the influence of local cultural values, perceived security and privacy, interaction between consumers and influencers, use of social commerce, and marketing strategies through social media on the adoption and use of social commerce.

Method: Data was collected through an online questionnaire from 300 respondents and analysed using Partial Least Squares Structural Equation Modeling (PLS-SEM) method.

Result: The results showed that all hypotheses were accepted. Local cultural values, perceived security and privacy, interaction with influencers, use of social commerce, and marketing strategies through social media significantly influence the adoption and use of social commerce. Local cultural values have a significant influence on social commerce adoption, while perceived security and privacy increase consumer trust. Interaction with influencers increases consumer engagement, which in turn influences purchase decisions. The use of social commerce encourages a consumptive lifestyle among young consumers. Marketing strategies through social media are effective in increasing consumer purchase intentions. This research provides insights for businesses to develop more effective strategies to increase the adoption and usage of social commerce in Indonesia.

Keywords: *Social Commerce, E-commerce, Influencer Marketing, Local Culture, Security and Privacy*

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1. Introduction

The transformation from e-commerce to social commerce has had a significant impact on consumer behaviour in Indonesia. E-commerce, which initially only served as an online buying and selling platform, has evolved to become more interactive through social commerce, which combines social networking elements with online shopping activities. These developments not only affect the way consumers interact with products and services, but also influence their purchasing decisions.

Previous studies have shown that e-commerce in Indonesia is experiencing rapid growth with a significant increase in internet users. Research by Farah Alfannur and Y. Kadono (2019) shows that hedonic motivation, convenience, and economic reasons are the main factors influencing purchase intention in Java Island, while social influence is more dominant in Sumatra Island (Alfannur & Kadono, 2019).

In addition, another study by B. Shia et al. (2015) found that trust, cost, social influence, and service variety are significant factors influencing e-commerce adoption in Jakarta (Shia et al., 2015). E-

commerce has also made a positive contribution to the Indonesian economy by increasing the income of entrepreneurs and making it easier for consumers to shop without leaving home (Prasetyandari, 2022).

However, the rise of social commerce has changed this dynamic. Social commerce not only enables buying and selling transactions, but also encourages interaction between consumers and sellers through social media platforms such as Facebook, Instagram, and WhatsApp. Research by Gunawan (2022) shows that provinces with high social commerce have characteristics such as young entrepreneurs, high educational background, and sales of fashion and beauty products (Gunawan, 2022).

Research Gap, Although there are many studies on e-commerce and social commerce, there are some gaps that need further research to develop business strategies and a better understanding of consumer behaviour in Indonesia. **Influence of Local Culture:** Existing studies often do not take into account the influence of local culture on social commerce adoption. More in-depth research is needed to understand how cultural values and social norms influence consumer purchasing decisions in different regions of Indonesia.

The Role of Security and Privacy, While research has shown the importance of trust and security in e-commerce (Hendriana, 2021), not much research has explored how these factors play a role in the context of social commerce. Further studies are needed on how perceived security and privacy affect consumer trust in transacting on social commerce platforms. **Interaction Between Consumers and Influencers,** Research by Parahyta and Sobari (2022) suggests that live streaming can increase consumer engagement through social bonding with influencers (Parahyta & Sobari, 2022). However, more specific interactions between consumers and influencers in social commerce have not been explored, especially how these interactions influence purchasing decisions. **The Impact of Social Commerce on Consumer Lifestyle,** Research by Ekasari et al. (2023) shows that social commerce can encourage a consumptive lifestyle among consumers (Ekasari et al., 2023). However, more research is needed on the long-term impact of this lifestyle on consumers' financial and mental well-being.

Effective Marketing Strategy, Research by Nusantara and Pardede (2023) shows that marketing through social media and content has a significant impact on consumer purchase intention (Nusantara & Pardede, 2023). However, further research is needed to identify the most effective marketing strategies in the context of social commerce. The transformation from e-commerce to social commerce has brought significant changes in consumer behaviour in Indonesia. Although many studies have been conducted, there are still some gaps that need to be explored further to understand the deeper dynamics of social commerce. Future research needs to focus on the influence of local culture, the role of security and privacy, the interaction between consumers and influencers, the impact of social commerce on consumer lifestyles, and effective marketing strategies to increase consumer engagement and loyalty.

1.1 Research Hypotheses

Local Culture Influence, Security and Privacy, Consumer and Influencer Interaction, Consumptive Lifestyle, Marketing Strategy.

- H1: Local cultural values have a positive influence on the adoption of social commerce in Indonesia.
- H2: Perceived security and privacy have a positive influence on consumer trust in using social commerce platforms.
- H3: Interaction between consumers and influencers in social commerce has a positive influence on consumer engagement.
- H4: Intensive use of social commerce encourages a consumptive lifestyle among young Indonesian consumers.
- H5: Marketing strategy through social media has a positive influence on consumer purchase intention in social commerce.

2. Literature review

H1: Local cultural values have a positive influence on the adoption of social commerce in Indonesia.

This hypothesis tests whether local cultural values in Indonesia have a significant impact on the adoption of social commerce. Local culture can influence the way consumers accept and use social commerce.

Recent research shows that local cultural values play an important role in technology adoption, including social commerce. A study by Pasteruk (2020) shows that the values of gotong royong and sasi in Indonesia influence the adoption of digital technology in local communities, especially in Java and Maluku (Pasteruk, 2020). In addition, research by Istiqomah (2022) found that local culture and consumer preferences for certain products, such as products with halal certification, strongly influenced e-commerce shopping patterns during the COVID-19 pandemic (Istiqomah, 2022). Local cultural factors have also been shown to play a role in the success of micro, small, and medium enterprises (MSMEs) in Indonesia in adopting digital platforms (Purwandari, Otmen, & Kumarlalita, 2019).

H2: Perceived security and privacy have a positive influence on consumer trust in using social commerce platforms.

Trust is a key factor in the adoption of e-commerce and social commerce. Research by Christanti and Jatiputra (2023) found that perceived security strongly influences consumer trust and purchase intentions on e-commerce platforms during the pandemic (Christanti & Jatiputra, 2023). In addition, research by Patma et al. (2021) showed that perceived safety and ease of use of e-commerce technology affect the adoption and business sustainability of MSMEs during the COVID-19 pandemic (Patma, Wardana, Wibowo, Narmaditya, & Akbarina, 2021). Another study by Laoebela et al. (2023) found that internet culture can influence the values and moral decisions of Indonesians, which include aspects of online safety and privacy (Laoebela, Bunga, Mayasari, & Sagena, 2023).

H3: Interaction between consumers and influencers in social commerce has a positive influence on consumer engagement.

This hypothesis tests the relationship between perceived security and privacy and the level of consumer trust in social commerce platforms. Security and privacy are important factors that can influence consumer trust and purchase intentions.

Influencers play an important role in social commerce. Research by Parahyta and Sobari (2022) shows that social bonding with influencers through live streaming can increase consumer engagement and purchase intentions on social commerce platforms (Parahyta & Sobari, 2022). In addition, a study by Veronal Jong et al. (2023) found that trust and subjective norms influenced by interactions with influencers can affect consumer purchase intentions in social commerce (Veronal Jong, Rifdiansyah, Pranoto, & Chandra, 2023). Other findings from Kurniasari et al. (2023) show that digital adoption and social influence strongly influence the performance and business sustainability of traditional MSMEs in the Indonesian market (Kurniasari, Lestari, & Tannady, 2023).

H4: Intensive use of social commerce drives consumptive lifestyles among young Indonesian consumer.

This hypothesis tests whether strong interactions between consumers and influencers can increase consumer engagement. Influencers have a major role in influencing consumer purchasing decisions through social commerce.

Intensive use of social commerce can influence consumptive lifestyles. Research by Ekasari et al. (2023) shows that the existence of various e-commerce platforms in Indonesia has changed people's shopping patterns to become more consumptive, with the influence of product advertisements, flash sales, and discounts (Ekasari, Faizathul, & Manajemen, 2023). In addition, a study by Yacob et al. (2023) found that the adoption of social media and e-commerce with an entrepreneurial orientation can improve MSME business performance during the pandemic, which in turn can encourage a consumptive lifestyle (Yacob, Sulistiyo, Marzal, Siregar, & Mukminin, 2023). Another study by Istiqomah (2022) also shows that the COVID-19 pandemic has fuelled a surge in e-commerce adoption, which encourages consumptive shopping patterns among Indonesians (Istiqomah, 2022).

H5: Marketing strategies through social media have a positive influence on consumer purchase intentions in social commerce.

This hypothesis tests whether marketing strategies through social media can increase consumers' purchase intentions in social commerce. An effective marketing strategy is essential to attract and retain consumers on social commerce platforms.

Marketing strategies through social media have a significant impact on consumer purchase intentions. Research by Nusantara and Pardede (2023) shows that marketing through social media and content has a positive influence on consumer purchase intention in social commerce platforms (Nusantara & Pardede, 2023). In addition, research by Syamsidi et al. (2023) found that e-commerce adoption by MSMEs can improve customer orientation and reduce costs through perceived customer benefits (Syamsidi, Aries, Muchardie, & Rillia, 2023). Another study by Veronal Jong et al. (2023) also found that service quality, brand image, and ease of use influence consumer purchase intention on social commerce platforms (Veronal Jong, Rifdiansyah, Pranoto, & Chandra, 2023).

By combining the findings from various recent studies, it can be concluded that local cultural values, perceived security and privacy, interaction with influencers, use of social commerce, and marketing strategies through social media are important factors that influence the adoption and use of social commerce in Indonesia.

3. Results and discussion

This study analyses five previously formulated hypotheses using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method. Data were collected through an online questionnaire from 300 respondents who met the research criteria.

Table of Analysis Results

Table.1 Hypothesis Path Coefficient p-value Hypothesis Conclusion

Hypothesis	Path Coefficient	p-value	Conclusion
H1	0.32	< 0.01	Accepted
H2	0.45	< 0.01	Accepted
H3	0.29	< 0.01	Accepted
H4	0.41	< 0.01	Accepted
H5	0.37	< 0.01	Accepted

Primary data source: processed 2024

The following are the results of the analysis of each hypothesis:

- H1: Local cultural values have a positive influence on the adoption of social commerce in Indonesia. Path Coefficient: 0.32, p-value: <0.01 Conclusion: Hypothesis accepted. Local cultural values have a significant effect on the adoption of social commerce.
- H2: Perceived security and privacy have a positive influence on consumer trust in using social commerce platforms. Path Coefficient: 0.45. P-value: <0.01. Conclusion: Hypothesis accepted. Perceived security and privacy have a significant effect on consumer trust.
- H3: Interaction between consumers and influencers in social commerce has a positive influence on consumer engagement. Path Coefficient: 0.29. P-value: <0.01. Conclusion: Hypothesis accepted. Interaction with influencers has a significant effect on consumer engagement.
- H4: Intensive use of social commerce drives consumptive lifestyle among young Indonesian consumers. Path Coefficient: 0.41. P-value: <0.01. Conclusion: Hypothesis accepted. The use of social commerce has a significant effect on consumptive lifestyle.
- H5: Marketing strategy through social media has a positive influence on consumer purchase intention in social commerce. Path Coefficient: 0.37. P-value: <0.01. Conclusion: Hypothesis accepted. Marketing strategy through social media has a significant effect on consumer purchase intention.

3.1 Discussion

The results show that all the hypotheses proposed are accepted, signalling that the factors tested have a significant influence on the adoption and use of social commerce in Indonesia. The following is a more detailed discussion of each hypothesis.

Influence of Local Culture

Local cultural values, such as gotong royong and preference for local products, play an important role in driving social commerce adoption. This is in line with the findings of Pasteruk (2020) and Istiqomah (2022) which show that local culture influences online shopping behaviour.

Perceived Security and Privacy

Security and privacy are crucial factors in building consumer trust in social commerce platforms. This study supports the findings of Christanti and Jatiputra (2023) and Patma et al. (2021) which emphasise the importance of perceived safety in increasing consumer trust and purchase intention.

Interaction with Influencers

Interaction with influencers is shown to increase consumer engagement, which in turn influences purchasing decisions. This finding is consistent with the research of Parahyta and Sobari (2022) and Veronal Jong et al. (2023) who showed that influencers have a significant impact on consumer engagement and purchase intention.

Consumptive Lifestyle

Intensive use of social commerce encourages a consumptive lifestyle among young consumers. This supports the research of Ekasari et al. (2023) and Yacob et al. (2023) which shows that the adoption of e-commerce and social commerce can encourage consumptive shopping behaviour.

Marketing Strategy through Social Media

Marketing strategies through social media have a positive influence on consumer purchase intentions. This finding is in line with the research of Nusantara and Pardede (2023) and Syamsidi et al. (2023) which shows that marketing through social media is effective in increasing purchase intention and customer orientation.

4. Conclusion

This study shows that local cultural values, perceived security and privacy, interaction with influencers, use of social commerce, and marketing strategies through social media are important factors that influence the adoption and use of social commerce in Indonesia. These results provide insights for businesses to develop more effective strategies to increase the adoption and usage of social commerce in Indonesia.

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