# $A$*icQoL2024KotaKinabalu*

https://www.amerabra.org

**12th AMER International Conference on Quality of Life**
The Magellan Sutera Resort, Kota Kinabalu, Malaysia, 26-28 Jan 2024

# Assessing the Purchasing Behaviour in S-commerce among Indonesian Students in Malaysia

**Syazwani Yahaya[1*], Marcella Angeline Widyodarsono[1], Noraini Ahmad[1], Muhammad Shahid Khan[2]**
*\* Corresponding Author*

[1] School of Business, Asia Pacific University of Technology and Innovation, Kuala Lumpur, Malaysia
[2] Business School, Suan Sunandha Rajabhat University, Bangkok, Thailand

syazwani@apu.edu.my, marcella2403@gmail.com, noraini@apu.edu.my, shahid.kh@sru.ac.th
Tel: 01116309308

## Abstract
The purpose of this paper is to examine the relationship between advertising value, perceived value, and trust for purchasing behaviour in social commerce (s-commerce). The study was quantitative, and 105 Indonesian students provided primary data using a self-administered questionnaire. After applying SPSS to analyze the data, it was found that 56.1% of the variance could be explained by the suggested model. The findings show that there is a positive significant relationship between advertising value, perceived value, and trust for purchasing behaviour in s-commerce. The study's implications are intended to support information technology professionals to implement s-commerce technology in commercial settings.

Keywords: Advertising Value; Perceived Value; Trust; Purchasing Behaviour in Social Commerce

## 1.0 Introduction
Globally, the number of people using social commerce is rising. Global social commerce, or s-commerce, is expected to make a substantial profit of $0.62 trillion in 2021 and grow to $7.03 trillion by 2030. The practice of conducting business online through social media platforms like Twitter, Instagram, TikTok, and others is known as "s-commerce." Leong, Hew, Ooi & Wei (2020) claim that social media has improved consumer participation, allowed users to obtain socially rich information, and created an online transaction environment. Social media platforms are widely used in s-commerce promotions and sales of goods and services. Another way to achieve this is by offering movies, ads, influencer material, and other items for purchase. According to reports from past researchers and driven by trends in consumer behaviour, the number of people using Instagram worldwide increased by 10.8% in January 2022 compared to January 2023 and gives users unprecedented availability of services and information, improving the convenience and productivity of their lives over the previous (Yahaya, Abdul Hamid & Mohd Nafi, 2023).

In addition to Instagram, TikTok is another popular social networking platform for sharing videos. Every year, the number of active TikTok users likewise rises. Furthermore, it is stated that the Covid-19 pandemic is to blame for this increase so quickly since the start of the 2020 pandemic. There has been a rise of about 300 million users between 2019 and 2020. After that, there was a noticeable surge of almost 600 million users between 2021 and 2022. The TikTok app also sees many sales of goods, which naturally boosts the

revenue of online retailers who use the app to conduct their business. Therefore, it is indisputable that consumer behaviour in s-commerce has the potential to spur economic growth.

However, the advent of s-commerce technology, especially through mushrooming of social media platforms, has impacted significantly on students' daily basis (Subair, 'Tayo, Solomon Temitope, & Deborah Oreoluwa (2019), especially towards Indonesian students in Malaysia. A previous study proved that Indonesian students exhibit a strong preference for products or services in Malaysia through s-commerce compared to their own country, thus suggesting purchasing behaviour. Moreover, it is undeniable that the contribution towards s-commerce's economic growth comes from the major social media users, including them. The previous research revealed that the majority of international students are using s-commerce from a variety of social media platforms, including Instagram, TikTok, Facebook and so on (Subair et al., 2019) including Indonesian students in Malaysia. In the United Kingdom, Sutherland, Davis, Terton & Visser (2018) reported that 90% of students use social media platforms, and this number has increased rapidly in the past ten years. The combination of business value-added features and user-generated content have contributed to s-commerce adopters (Leong, 2020), including Indonesian students being directly engaged in the transaction process via the dissemination and sharing of information where they can write their own reviews, contents and rate products or services. In addition, students spend much of their time on social media compared to other social media users based on duration, frequency of use, purpose, and personality traits (Hamid, Nordin, Adnan & Sirun, 2013). Through dynamic and diversified social media platforms, s-commerce allows students to search, share, create, collaborate and organise content while at the same time virtual self-presentation and self-disclosure of oneself. This is because Indonesian students feel that Malaysia's s-commerce is attractive, convenient, and user-friendly. Hence, this is among the reasons for their strong preference for products or service in Malaysia through s-commerce compared to their own country, thus suggesting purchasing behaviour.

Conclusively, purchasing behaviour through a strong preference for products or service in Malaysia among Indonesian students through s-commerce compared to their own country has brought an enormous economic benefit to Malaysia's s-commerce economy. In addition, there are a lot of s-commerce benefits, such as being able to bring new business opportunities, optimal advertising and promotion, generate an excellent platform to share intelligent shopping experiences, and emphasis on enjoyment of people-oriented purchasing experiences (Hu & Zhu, 2022; Yahaya et al., 2023). However, s-commerce is still in its infancy in Malaysia, nevertheless, and there needs to be more research on the critical elements influencing the purchase behaviour of s-commerce users, particularly Indonesian students studying there (Hu & Zhu, 2022). Regretfully, should Malaysia fail to seize the chances presented by contemporary s-commerce technology, it will be more susceptible to economic upheavals and, consequently, fall behind other industrialised nations with more sophisticated technological infrastructure when it comes to international competition. Because of the evidence mentioned above, this study is able to fill empirical gaps in the literature by examining the three factors—advertising value, perceived value, and trust—that affect Indonesian students' purchasing decisions when they engage in s-commerce.

.

## 2.0 Literature Review

As mentioned above, purchasing behaviour in s-commerce is able to bring an enormous economic benefit in Malaysia (Hu & Zhu, 2022; Yahaya, Ahmad, Mohd Tan & Kamal 2023). Hence, it has been suggested to enhance the purchasing behaviour in s-commerce, including among Indonesian students, due to its enormous advantages, ignoring s-commerce could prevent Malaysia from taking part in and competing globally. Perhaps purchasing in s-commerce is among the best solutions able to dramatically raise Malaysia's economy's productivity, which has fallen well short of their counterparts from more developed economies. However, there are numerous pieces of evidence from earlier research demonstrating the various problems with s-commerce (Leong et al., 2020; Rahman et al., 2022; Khan, Khan, Ali & Islam, 2022; Hassan & Shahzad, 2022), including among Indonesian students. According to Hassan & Shahzad (2022), in this digital era, the emergence of s-commerce cannot be ignored and become a challenging issue in business. For instance, the finding from Leong et al. (2020) proved that retailers in Malaysia have failed in applying s-commerce to various complaints on security, privacy and trust in information exchange. At the same time, there is a high level of uncertainty among s-commerce users, including Indonesian students, owing to the huge volume of user-generated content and the absence of face-to-face contact. Besides, Rahman et al. (2022) stated that it is difficult to maintain sustainability and consistency in s-commerce, especially with the numerous competitors in a market. There is a chance that purchasing behaviour in S-commerce, which is hampered by ads, will result in S-commerce users' shopping cart abandonment (Khan et al., 2022) from Indonesian students. Thus, it is essential to comprehend the factors influencing consumers' purchase decisions in Malaysian s-commerce.

In German, previous research from Khan et al. (2021) found that 88.05% of advertising on electronic platforms including s-commerce, was abandoned. In fact, this has become a growing issue and affects sales, and there is debate about the potential of advertising using social media platforms for commercial activities. However, the purpose of advertisements is to provide the opportunity and value to have purchase behaviour through an efficient purchasing experience. There is a significant relationship between advertising value and purchasing behaviour in s-commerce (Hee & Yen., 2018). Therefore, it is crucial to research the trust-related factors influencing Malaysian s-commerce consumers' purchasing decisions.

Besides, many previous studies proved that there is a lack of trust between the sellers and buyers, that can lead to problems in purchasing behaviour in s-commerce through payment, delivery, and product quality. For example, in Malaysia, research from Leong et al. (2020) proved that trust is assumed to be a major cause of the reason for abstaining from s-commerce. In addition, It is sometimes difficult to trust reviews on social media platforms such as Instagram and TikTok because the merchants may provide inaccurate information (Qin, Omar & Musetti, 2022). However, trust has a statistically significant, favourable impact on purchasing behaviour in s-commerce. In other words, trust will lead to the willingness to have purchasing behaviour and use a product or service in a risky situation

because of the expectation that the desired product or service will provide positive results. Hence, It is crucial to research the elements of trust that influence the purchasing behaviour in s-commerce in Malaysia.

Many retailers have failed to provide the expected perceived value in the s-commerce environment. As a consequence,it leads to the discontinuing of the purchasing behaviour in s-commerce. However, a wide-ranging information involving knowledge of product features, price and the ability to make comparisons with competitor's products in s-commerce is supposed to provide the high perceived value. Hence, there is a significant relationship between perceived value and purchasing behaviour in s-commerce (Shaw & Serqueeva, 2019). Therefore, it is important to study the variables that affect the purchasing behaviour in s-commerce in Malaysia.

Actually, a number of earlier s-commerce research studies have repeatedly shown how important advertising value is in influencing consumers' purchasing decisions. In a similar vein, research conducted by Cakir and Eru (2013) revealed that advertising value significantly influences consumers' purchase decisions. When provided at the right moment, advertising messages can impact consumers' purchasing decisions and generate favorable feedback. As a result, the message's timeliness and content are increasingly crucial to the success of sales made using this advertising strategy. Martins, Costa, Oliveira, Goncalves & Branco (2019) research, which demonstrates a positive and statistically significant relationship between advertisement value and purchase behaviour, supports this. This study demonstrated that advertising value serves as a bridge for credibility, entertainment, and information. These results showed that consumers view smartphone advertising as a reliable source of information for product purchases, as well as entertaining and credible. Furthermore, Wu, Huang, Ge, Dai & Zu (2023) demonstrates that consumers' perceived value has a significant and positive impact on their trust in the product; pre-existing trust has a significant and positive impact on consumers' trust in the product; and consumer trust partially mediates the relationship between perceived value and consumers' willingness to continue making purchases. In a similar vein, the earlier research by Hajli (2012) indicates that trust is regarded as a crucial component to enhance purchase behaviour.

Conclusively, empirical studies have looked into and examined the variables impacting purchasing behaviour in s-commerce, as discussed above. Despite the purchasing behaviour in s-commerce potential to bring new opportunities and accelerate economic growth (Liu, Li & Liu, 2021) especially through social network platforms, Malaysia is still in its infancy. (Wong, Lee, Tang & Yap 2020; Yahaya et al., 2023). Therefore, it is very important to carry out research on the determinants of the purchasing behaviour in s-commerce among Indonesian students in Malaysia. In particular, to gain a deeper understanding of how they purchase and use s-commerce, the study will focus on advertising value, perceived value and trust.

## 3.0 Methodology
Based on the literature review and research problem, this study has developed a framework. The research framework was derived to obtain the study objectives.
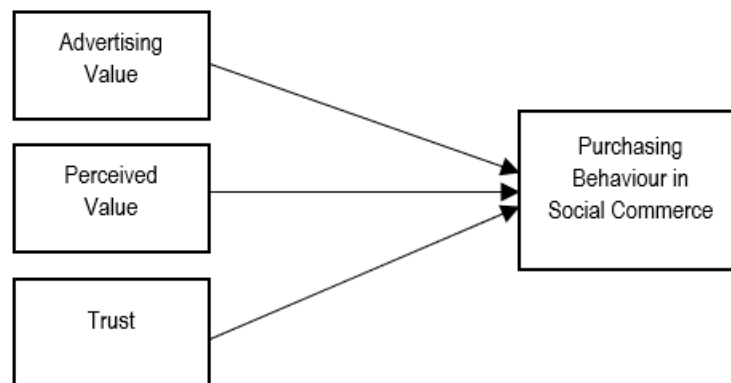


Figure 1. Research Framework

This study has created a framework based on the research problem and literature review. The study objectives were obtained by deriving the research framework. The subject was chosen to serve as the study's analytical unit. This study population is specifically Indonesian students in Kuala Lumpur, Malaysia, who use s-commerce. A quantitative research approach is used in this work. The data was gathered using a survey questionnaire that respondents self-administered. The study employed non-probability sampling and was cross-sectional in nature. According to Tabachnick and Fidell's (2007) research, a method that has been used in the past can be used to estimate the sample size. The formula used in this study is "50+8m," where "m" stands for the number of variables. For this study, 82 responders will be the minimum. However, in order to get better results, the researcher plans to interview up to 105 people for these studies. A total of one hundred responders made up the sample. This study used an online self-administered questionnaire since it is more convenient and provides more anonymity. After the data gathering was finished, SPSS was used to code and process the data.

## 4.0 Findings

Specifically, the findings included the results of the Reliability Test, Normality Test, and Multiple Regression Analyses which proved the perfect model fit. All questions were measured using a five-point Likert scale, starting with fully agreed until fully disagree. The study managed to obtain 135 responses, and upon filtering, only 105 respondents were usable. Upon completion of the data collection, the data was coded and processed as there was no missing data. SPSS was used to examine the frequency, central tendency and dispersion of the data, as well as conduct the descriptive analysis. Based on checking for outliers, none of the items need to be excluded. Reliability tests were performed to examine the consistency of the data, while the reliability of the data distribution was tested using the value of Cronbach's alpha. Multiple regression analyses were conducted to determine the model fitness of this study.

### 4.1 Reliability Test

A test is deemed highly dependable if the Alpha value of a variable surpasses 0.60. Reliability testing was utilised to evaluate the level of consistency of a specific measurement. All variables in this study are regarded as extremely reliable, and the results of the reliability tests are shown in Table 1 below.

Table 1. Reliability Testing

| Constructs | Cronbach's Alpha (r) | No. of Items |
|---|---|---|
| Advertising Value | 0.829 | 3 |
| Perceived Value | 0.849 | 3 |
| Trust | 0.846 | 3 |
| Purchasing Behaviour in S-commerce | 0.892 | 3 |

### 4.2 Normality Test

To evaluate the skewness and kurtosis of the variables, a normalcy test was performed. When skewness and kurtosis fall between -2 and +2 and -7 and +7, respectively, they are considered standard. The study's variables have a normal distribution and are deemed acceptable, with skewness values ranging from (-0.899) to (-0.441), indicating an even distribution. When the kurtosis value falls between -0.669 and (0.109), the distribution is considered acceptable and normal. The normalcy test results are shown in Table 2.

Table 2. Normality Test

| Constructs | Skewness | Kurtosis |
|---|---|---|
| Advertising Value | -0.899 | 0.109 |
| Perceived Value | -0.441 | -0.194 |
| Trust | -0.533 | -0.052 |
| Purchasing Behaviour in S-commerce | -0.579 | -0.669 |

In this study, a multiple regression analysis was also carried out. The Pearson Correlation table is shown in Table 3. Based on this table it was found that all the independent variables have a positive and statistically significant correlation as shown in the result and the strongest correlation was found between perceived value and purchasing behaviour which is 0.672.

Table 3. Pearson Correlation Analysis

| | Advertising Value | Perceived Value | Trust | Purchasing Behaviour |
|---|---|---|---|---|
| Advertising Value | 1 | | | |
| Perceived Value | 0.457 | 1 | | |
| Trust | 0.386 | 0.550 | 1 | |
| Purchasing Behaviour | 0.542 | 0.672 | 0.574 | 1 |

The dependent variable is moderately influenced by the independent factors, as indicated by the corrected R-square value of 0.561. 56.1% of s-commerce purchase behaviour can be attributed to the three independent variables—perceived value, trust, and advertising value—and there is a link between the independent and dependent variables. According to the test, there is a 43.041% variation in the sample means, and a p-value of less than 0.05, or <0.001, indicates a high level of significance. The information is shown in Table 4 below:

Table 4. Model Fit Summary

| Multiple R | Coefficient of Determinant (R2) | Adjusted R-square | F-value | Sig |
|---|---|---|---|---|
| 0.749 | 0.561 | 0.548 | 43.041 | <0.001 |

According to the study, there is a positive correlation (p < 0.05) between advertising value and s-commerce purchasing behaviour, as well as a positive correlation (p < 0.05) between perceived value and s-commerce purchasing behaviour and a positive correlation (p < 0.05) between s-commerce purchasing behaviour and trust. The advertising value and purchasing behaviour showed the strongest link, according to the results of the multiple regression analysis. The coefficient significant value indicates that while other variables are also significant and have positive associations, they are not as significant as the advertisement value.

## 5.0 Discussion

Examining the substantial correlation between advertising value and s-commerce purchase behaviour among Indonesian students in Malaysia was the first goal. The outcome demonstrated that advertising value significantly and favourably influenced consumers' s-commerce purchase decisions. As a result, advertising value influences Indonesian students' s-commerce purchase behaviour. Likewise, other research has demonstrated a noteworthy correlation, such as those conducted by Hee & Yen (2018) which corroborated the notion that there is a substantial positive correlation between advertising value and s-commerce purchase behaviour. Thus, this result is in line with the researcher's earlier discoveries. Furthermore, consumers are more likely to dedicate themselves to purchase behaviour in s-commerce when they have a positive first impression of an advertisement. Therefore, it is essential to enhance s-commerce's advertising channel because this study proved that advertising value as a subjective assessment of the value and usefulness of an advertisement, especially in terms of purchasing behaviour in s-commerce.

Examining the connection between Indonesian students' s-commerce purchase behaviour and perceived value was the second goal. The study's conclusions showed that s-commerce had a favourable and strongest influence on consumers' purchase decisions. The results aligned with those of Shaw & Serqueeva (2019), who found a strong correlation between s-commerce purchase behaviour and perceived value. This is due to the fact that shops who are able to satisfy their consumers' needs are essentially offering value, which puts them in a far better position going forward. Furthermore, earlier research demonstrated the significance of perceived value in influencing consumers' intentions to make purchases.

Examining the connection between Indonesian students' s-commerce purchase behaviour and trust was the third goal. The study's conclusions showed that s-commerce had a favourable and considerable influence on consumers' purchase decisions. The results aligned with those of Hajli (2012), who found a strong correlation between s-commerce purchase behaviour and trust. Moreover, trust is regarded as one of the most crucial elements. This is due to the fact that user impression of s-commerce's capacity to function even in unsafe situations is based on recognition.

## 6.0 Conclusion & Recommendations

This study aims to investigate the relationship between advertising value, perceived value, and trust regarding s-commerce purchasing behaviour among Indonesian students in Malaysia. The results of this study show that purchase behaviour in s-commerce is positively and strongly correlated with perceived value, advertising value, and trust. Besides, there is the strongest correlation between perceived value and purchasing behaviour. Therefore, research objectives have been achieved and research questions have been answered. The results of this study can help other scholars better understand Malaysian s-commerce purchasing habits. From a theoretical standpoint, this research is highly valuable because it may contribute to the body of knowledge already available on advertising value, perceived value, and trust. Additionally, this research offers current knowledge on how to solve the study's challenges. Additionally, this study identifies a number of additional variables that may impact consumers' decisions to make purchases through s-commerce. This study carries on the legacy of adding to the body of knowledge in the commercial, retail, or service sectors by generating a number of distinct elements that may impact purchasing behaviour in s-commerce. Furthermore, by providing basic data for the development of practical policy frameworks that support the retail sector, this study aids sponsors, stakeholders, and financial sectors in operating more effectively based on the factors that influence purchasing behaviour in s-commerce. Future research in the field covered by the study's sample is made possible by the study's constraints. They were collected from Kuala Lumpur, the only state in Malaysia. It is advised that future research expand on or duplicate this study in other states that are affected by this constraint.

## Acknowledgement

## Paper Contribution to Related Field of Study

This paper contributes to the related field of study, such as the Commercial/ Retail/ Services Environment.

# References

Cakir, F., & Eru, O. (2013). The effect of mobile ADs to consumers' purchasing behavior who live in the Province of Aydin. *International Journal of Economic Perspectives*, *7*(3), 81–92.

Hu, S., & Zhu, Z. (2022). Effects of social media usage on consumers' purchase intention in Social Commerce: A cross-cultural empirical analysis. *Frontiers in Psychology*, *13*.

Hamid, S. F., Nordin, N., Adnan, A. A., & Sirun, N. (2013). A study on primary school teachers' organizational commitment and psychological empowerment in the district of Klang. *Procedia - Social and Behavioral Sciences*, *90*, 782–787.

Hair, J. F., Ringle, C. M., Gudergan, S. P., Fischer, A., Nitzl, C., & Menictas, C. (2018). Partial least squares structural equation modeling-based discrete choice modeling: An illustration in modeling retailer choice. *Business Research*, *12*(1), 115–142.

Hassan, S., & Shahzad, A. (2022). The impact of social media usage on small and micro social commerce enterprises in Malaysia. *Pakistan Journal of Commerce and Social Sciences*, *16*(1), 141–166.

Hee, O. C., & Yen, W. S. (2018). The influence of advertising media towards consumer purchasing behavior in the food and beverage industry in Malaysia. *International Journal of Human Resource Studies*, *8*(2).

Hajli, M. (2013). A research framework for Social Commerce Adoption. *Information Management &amp; Computer Security*, *21*(3), 144–154.

Khan, A. N., Khan, N. A., Ali, A., & Islam, T. (2022). Editorial: Dark and bright side of social media in current normal. *Frontiers in Psychology*, *13*.

Leong, L.-Y., Hew, T.-S., Ooi, K.-B., & Wei, J. (2020). Predicting mobile wallet resistance: A two-staged structural equation modeling-artificial neural network approach. *International Journal of Information Management*, *51*, 102047.

Liu, S., Li, J., & Liu, J. (2021). Leveraging transfer learning to analyze opinions, attitudes, and behavioral intentions toward covid-19 vaccines: Social media content and temporal analysis. *Journal of Medical Internet Research*, *23*(8).

Martins, J., Costa, C., Oliveira, T., Gonçalves, R., & Branco, F. (2019). How smartphone advertising influences consumers' purchase intention. *Journal of Business Research*, *94*, 378–387.

Qin, Y., Omar, B., & Musetti, A. (2022). The addiction behavior of short-form video app TikTok: The Information Quality and System Quality Perspective. *Frontiers in Psychology*, *13*.

Rahman, M. M., & Alam, K. (2022). Effects of corruption, technological innovation, globalisation, and renewable energy on carbon emissions in Asian countries. *Utilities Policy*, *79*, 101448.

Sutherland, K., Davis, C., Terton, U., & Visser, I. (2018). University student social media use and its influence on offline engagement in higher educational communities. *Student Success*, *9*(2), 13–24.

Shaw, N., & Sergueeva, K. (2019). The non-monetary benefits of mobile commerce: Extending UTAUT2 with perceived value. *International Journal of Information Management*, *45*, 44–55.

Sekaran, U., & Bougie, R. (2010). *Research Methods for Business*. John Wiley & Sons.

Subair S, 'Tayo, Solomon Temitope, A., & Deborah Oreoluwa, Y. (2019). *Social Media: Usage and Influence on Undergraduate Studies in Nigerian Universities*, *15*(3), 53–62.

Tabachnick, B., & Fidell, L. (2007). *Using multivariate statistics, 5th Ed*. Pearson Education.

Wu, Z., Huang, W., Ge, Y., Dai, Y., & Zu, F. (2023). Research on the impact of technical progress on the carbon productivity in China's service industry. *Frontiers in Environmental Science*, *11*.

Wong, J. K., Lee, K. K., Tang, K. H., & Yap, P.-S. (2020). Microplastics in the freshwater and terrestrial environments: Prevalence, fates, impacts and sustainable solutions. *Science of The Total Environment*, *719*, 137512.

Yahaya, S., Abdul Hamid, S.N., & Mohd Nafi, S.N. (2022). Determinants for m-commerce adoption in Malaysian SMEs: A conceptual framework. *International Journal of Business and Economy*, 4(1), pp. 138–149.

Yahaya, S., Abdul Hamid, S. N., & Mohd Nafi, S. N. (2023). Influence of UTAUT, perceived compatibility, and perceived credibility on M-commerce adoption. *International Journal of Advanced and Applied Sciences*, *10*(11), 49–58.

Yahaya, S., Ahmad, N., Mohd Tan, A., & Kamal, M. A. (2023). Assessing the adoption of M-Commerce in SMEs in the service industry of Malaysia. *Environment-Behaviour Proceedings Journal*, *8*(26), 21–27.