1 **Role of Utilitarian Motivation on Social Media Shopping Behavior in Global Trade Era**

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ROLE OF UTILITARIAN MOTIVATION ON SOCIAL MEDIA SHOPPING BEHAVIOR IN GLOBAL TRADE ERA

Abstract

Growth in the use of social media web very rapidly in Indonesia in recent years has been accompanied by widespread use of social media for trade deals known as online commerce transactions. Behavior in online transactions is different from the conventional trade and this has got a lot of attention and research on online shopping behavior at various places in different countries have been carried out. This study adopts the model of online shopping motivation, to get the shopping behavior in the online shopping community in terms of utilitarian motivation and Search Intention to Purchase Intention. This study focused on the female segment who are consumers of Woman Online Community Surabaya (WOSCA). Respondents were selected by random sampling technique using a Web application questionnaire. 112 respondents were obtained as a source for hypothesis testing. Validity and reliability tests showed that all indicator variables are valid and reliable. We used path analysis method to measure the influence of the dependent and independent variables. The results indicate that for consumer behavior in online transactions, purchase intention is significantly influenced by the utilitarian motivation and search intention variable. Cost savings, product variety and information availability variable have a significant influence on utilitarian motivation, while convenience variable do not have significant effect on utilitarian motivation. Furthermore utilitarian motivation variable have a significant influence on Search Intention. And utilitarian motivation and search intention variable influential significantly towards the Purchase Intention variable.

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EXTENDED ABSTRACT

The adoption of social media is growing rapidly and revolutionizing the way we communicate and do business (Mikalef, et al., 2012). Business people begin to look to social media to market their products. In the next three years, social media becomes an effective media for promotion (Sidik, 2013). Based on E-Commerce Research Index of Rakuten Inc. issued on 28 February 2013, Indonesia has become the leader of online shopping trends through social media or so-called social shopping. In Southeast Asia, Indonesia leading the social shopping trend indexed by 78% (Id, 2013).

One of the widely used social media is Facebook, which not only the number one social networking in Indonesia, but also the convergence stall sellers and buyers in the online world. Based on research conducted by MarkPlus Insight 2012, as many as 3.7 million netizens claimed to have had selling / buying online by utilizing all existing platforms ranging from Facebook, e-commerce sites, classified ads forums, BlackBerry groups, blogs, to Twitter (Darwin, 2012). With Indonesia's position as Facebook user number four in the world (soc13), this can make a promising business potential.

Therefore, to be successful in an a dynamic online virtual world, a business must understand the factors that underlie consumer purchasing decisions, including the consumer motivation (Pearce, et al., 2012). Broadly speaking, motivation can be classified as utilitarian

or hedonic (Hirschman, et al., 1982). More utilitarian reasons based on functional or tangible, whereas the hedonic is more pleasurable or intangible (Solomon, 2007). The utilitarian motivation is the reason for shopping online is one cost saving, convenience, product variety, and information availability. While the hedonic motivation is adventure, social, and personal pleasure (To, et al., 2007). This study emphasizes the utilitarian motivation and for the female segment. Further research can be conducted to examine the purchasing decisions through hedonic motivation, or both, and for a wider market segment.

MODEL CREATION AND HYPOTHESE BUILDING

Figure 1. Conceptual Framework of Role of Utilitarian Motivation on Social Media Shopping Behavior in Global Trade Era

Utilitarian Motivation

Motivation arises because there is a need perceived by consumers. Broadly speaking, motivation can be classified as utilitarian or hedonic (Hirschman, et al., 1982). More utilitarian reasons are based on functional or tangible, whereas the hedonic is more pleasurable or intangible (Solomon, 2007). According Mikalef, et al., (2013) utilitarian refers to the extent to which users see social media become useful and effective tool to search for products.

Based on the Models of Online Shopping Motivation (To, et al., 2007), one of the reasons for shopping online is that utilitarian motivations: cost saving which is the level of cost benefits provided by the social media to its users (Kaplan, et al., 2010); (Childers, et al., 2001); Convenience is the level of comfort offered by social media when users search the product (Mikalef, et al., 2013), product variety is the variety of products offered through social media (Mikalef, et al., 2013), availability of information related to product information and services provided by social media (Mikalef, et al., 2013). Thus the hypothesis we propose are:

H₁: Cost saving significantly influence the utilitarian motivation in search intentions through social media

H₂: Convenience significantly influence the utilitarian motivation in search intentions through social media

H₃: Product variety significantly influence the utilitarian motivation in search intentions through social media

H₄: Information availability significantly influence the utilitarian motivation in search intentions through social media

Utilitarian motivation and search intention through social media

Products/services search through online media can be the result of goal orientation or orientation exploration of behavior (Wolfenbarger, 2001 and Moe, 2003). Thus the hypothesis we propose is:

H₅: Utilitarian motivation significantly influence the intention of searching through social media

Search intention and purchase intention through social media

The relationship between search intention and purchase intention were based on the Theory of planned behavior which says that the user's intention is a powerful predictor of actual behavior (Fishbein et al., 1975). The process begins when a consumer searching a product, which in turn can lead to the purchase of certain items (To et al 2007, and Mikalef, et al., 2013). Intention of seeking information through social media is also a strong predictor of purchase intention through the internet (Shim et al, 2001). Thus:

H₆: Utilitarian motivations significantly influence purchase intention through social media

Search Intention and Purchase Intention

Search intention refers to the extent to which social media users are involved in the process of using the site for products searching/browsing (Mikalef, et al., 2013). Purchase intention refers to the intention of consumers to buy products that they see (Mikalef, et al., 2013).). Thus the hypothesis we propose is:

H₇: Products search through social media significantly influence the purchase intention through social media

CONCLUSION AND IMPLICATIONS

The results indicate that for consumer behavior in online transactions, purchase intention is significantly influenced by the utilitarian motivation and search intention variable. Cost savings, product variety and information availability variable have a significant influence on utilitarian motivation, while convenience variable do not have significant effect on utilitarian motivation. Furthermore utilitarian motivation variable have a significant influence on Search Intention. And utilitarian motivation and search intention variable influential significantly towards the Purchase Intention variable.

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