EXPLANATORY STUDY: THE IMPACT OF TRUST IN KASKUS ON KASKUSERS PURCHASE INTENTION

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Abstract - Big potential market in Virtual Communities (VCs) make Consumer to Consumer (C2C) websites focusing on increasing their customer bases by converting members of their VCs into C2C buyers and sellers. This phenomenon is called e-commerce based on social network (ESN). One of Indonesia’s websites which apply ESN is Kaskus. The objective of this study is to propose a framework on the understanding of how trust in Kaskuser and trust in www.kaskus.co.id or vendors in Kaskus affect purchase intention.

A questionnaire was adopted from Lu et al. (2010) for online survey. Non probability sampling method is used for collecting data. The sample consisted of 210 registered member of Kaskus. Data were analyzed through descriptive statistics, SPSS, and LISREL.

Result of the study finds the positive impact of trust in Kaskus on Kaskuser’s purchase intention. All antecedents of trust are proved have positive impact on both trust in members and trust in website/vendor’s which lead to intention to get information, and purchase intention thereafter. However, trust in Kaskuser shows negative impact on www.kaskus.co.id or trust in vendors. In addition, from all antecedents of trust, structural assurances has the greatest impact into Kaskuser’s purchase intention.

Keywords: structural assurances, trust in members, trust in vendors, intention to get information, purchase intention

INTRODUCTION

Exploding is a suitable word to represent the development of Internet, social networks, communication technology, and many business models current day. Shopping via Internet is turning out to be more popular and familiar in people’s daily life in line with social network encouragement This phenomenon arise since Tim O’Reilly (2006) proclaimed the inception of Web 2.0 to society in 2004. As the Web 2.0 release, the new generation of Internet community was born as well.

This rise of Virtual Communities (VCs) has been one of the most prominent and visible form of consumer behavior in the 21st century. The impact of this
social phenomenon can be seen in many people’s everyday life when they interact in the Internet with people they don’t even know and form relationships with each other. These VCs form around many different topics and most importantly around different orientation of consumers. VCs have become the forums where Web users express themselves, get information, interact with each other, and establish their social networks. These VCs provide platform for the development of e-commerce based on social network (ESN), which refers to e-commerce based on the contents and user base of VCs (Lu et al., 2010).

Furthermore, researcher discovered that VCs has a big potential market offering huge benefits for both consumers and business. By all of the advantages offered, Hagel (1997) predicted that community-based transaction will be the future of community-based marketplace. However, converting VCs members to C2C buyers aren’t an easy stuff to be done. Even though online shopping is experiencing rapid growth, many people are still skeptical about the trustworthiness of online shopping. According to a survey conducted by First Data in 2008, 86% of the survey respondents had concern in trustworthiness of online shopping, indicating that trust is the crucial for online business.

Thus, researcher examines trust building in Kaskus (as the object of VCs in this study) provided by www.kaskus.co.id (as the C2C websites) and how it affect consumers’ intention to get information and purchase from these websites as the problem of the study. This research is motivated by the strong tie between VCs and C2C websites studied by Lu et al. (2010) in China which has the similarity with the object of the study, and the increasing popularity of ESN in Indonesia.

To meet the goal of the study, researcher investigates the roles of familiarity, perceived similarity, structural assurances, and trust propensity in building online interpersonal trust among members in Kaskus. Additionally, this study also decompose trust in the vendor or website which into three constructs – ability, integrity, and benevolence – and study the relationships between these dimensions and trust in members.
Moreover, this study focuses on C2C buyers only since the factors that affect transaction behaviors may be different for buyers and sellers. Using Kaskus as the object of the study, only Forum Jual Beli Kaskus as trading forum is investigated in this study, and only registered member of Kaskus are examined as the sample with a criteria that they have done transaction in FJB Kaskus with other members at least twice in the last year purchasing any type of goods and services.

RESEARCH METHODOLOGY

Type of this study is casual research which explains causal relationship between variables in research model, which are familiarity, perceived similarity, structural assurances, trust propensity, trust in member’s ability, trust in member’s integrity and benevolence, trust in the website/vendor’s ability, trust in the website/vendor’s integrity, trust in the website/vendor’s benevolence, intention to get information, and purchase intention in Kaskus, and test on development of hypotheses according to literature review.

The population used is all registered members of Kaskus who have bought products or services in FJB Kaskus at least twice in current year. In sampling technique, this study uses non-probability sampling with purposive sampling as the method. The number of sample used is 210 respondents resulted from 42 indicators which are developed for this study. Moreover, this research uses primer data which got directly from original sources by spreading questionnaire to respondents with their answers as the sources. In addition, interval measurement with seven point numerical scale is used to measure all indicators of variables ranging from disagree to agree which the higher the score shows the better result.

Data processing model used for analyzing data is Structural Equation Model (SEM). Before the data is processed, researcher did both validity and reliability test using SPSS for Windows 18.0. After the measurement result is valid and reliable, the data is processed by LISREL 8.7.0 to find out Chi-Square Statistics, RMSEA, GFI, AGFI, TLI, CFI, and CMIN/DF values. Moreover, researcher tests the
hypotheses again each parameter by t-test, and uni-dimensionality and reliability test using composite reliability and variance extract in the end.

RESULT AND DISCUSSION

After the result of data processing is claimed as both valid and reliable, researcher describes the research data which he found that 100% respondents are registered members of Kaskus and have purchased goods or services at least twice in the current year. Based on the category of goods or services purchased, the majority of respondents purchase in the fashion and mode category (54 respondents), following by Handphone & PDA (35 respondents), and Computer (26 respondents). Lastly, researcher analyzes further about the mean value and standard definition of each statements. The result shows that all variables are good which have an average mean score above 4.

Afterwards, measurement model of the study is done which obtained from the processing of the data using LISREL 8.70 software. In first running, the result explains that the model is not fit. Thus, researcher eliminates indicators which have Std. Loading < 0,7 to make better fit model. Therefore, the second of measurement model is ran, and the result explains the model tested has met the requirement criteria.

Table 1. Measurement Fit Model Result in Second Running

<table>
<thead>
<tr>
<th>No</th>
<th>Fitness Test</th>
<th>Suitability Criteria</th>
<th>Result</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Chi-Square Statistics</td>
<td>Expect to small, p &gt; 0.05</td>
<td>535,37; p= 0,0003</td>
<td>Not Fit</td>
</tr>
<tr>
<td>2.</td>
<td>RMSEA</td>
<td>RMSEA 0,08</td>
<td>0,038</td>
<td>Good Fit</td>
</tr>
<tr>
<td>3.</td>
<td>GFI</td>
<td>GFI 0,9</td>
<td>0,86</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>4.</td>
<td>AGFI</td>
<td>AGFI 0,9</td>
<td>0,82</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>5.</td>
<td>TLI/NNFI</td>
<td>TLI 0,9</td>
<td>0,98</td>
<td>Good Fit</td>
</tr>
<tr>
<td>6.</td>
<td>CFI</td>
<td>CFI 0,9</td>
<td>0,99</td>
<td>Good Fit</td>
</tr>
<tr>
<td>7.</td>
<td>CMIN/DF</td>
<td>CMIN/DF 2</td>
<td>1,31</td>
<td>Good Fit</td>
</tr>
</tbody>
</table>
After did the structural model, researcher test the reliability using variance extracted and composite reliability. After all variables are claimed both valid and reliable, researcher did a structural model using LISREL 8.70 software. In doing the structural model, LISREL provides a suggestion to make a small modification by linking indicator SA3 and SA4. In addition, the measurement fit on structural model has passed the requirement criteria.

In hypotheses testing, it is done by looking at the value of t (T-value) for each coefficient. T-value is significant if $1.96$, which means hypothesis is accepted, while $T$-value which less than $1.96$ means not significant and hypothesis is rejected. Hypotheses testing can also be done by looking at the T-value in figure 1 which the numbers colored red means not significant and hypothesis is rejected. Moreover, the degree of influence between variables is done by looking at estimate value which larger value indicates greater influence among the variables to each other. Moreover, the detail explanation of the evaluation of the structural model coefficients and degree of influence with their relation to the research hypotheses is explained in table 2.

![Figure 1. T-value Structural Model](image-url)
Table 2. Evaluation of the Structural Model Coefficients and Degree of Influence with Their Relation to the Research Hypotheses

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path</th>
<th>t-values</th>
<th>Estimate</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 a</td>
<td>FA =&gt; ABI</td>
<td>0.9</td>
<td>0.062</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H1 b</td>
<td>FA =&gt; INB</td>
<td>3.47</td>
<td>0.27</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
<tr>
<td>H2 a</td>
<td>PS =&gt; ABI</td>
<td>3.27</td>
<td>0.25</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
<tr>
<td>H2 b</td>
<td>PS =&gt; INB</td>
<td>0.32</td>
<td>0.025</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H3 a</td>
<td>SA =&gt; ABI</td>
<td>4.39</td>
<td>0.47</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
<tr>
<td>H3 b</td>
<td>SA =&gt; INB</td>
<td>4.00</td>
<td>0.44</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
<tr>
<td>H3 c</td>
<td>SA =&gt; VAB</td>
<td>7.05</td>
<td>0.85</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
<tr>
<td>H3 d</td>
<td>SA =&gt; VIN</td>
<td>6.33</td>
<td>0.88</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
<tr>
<td>H3 e</td>
<td>SA =&gt; VBE</td>
<td>7.58</td>
<td>1.06</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
<tr>
<td>H4 a</td>
<td>TP =&gt; ABI</td>
<td>2.01</td>
<td>0.20</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
<tr>
<td>H4 b</td>
<td>TP =&gt; INB</td>
<td>1.50</td>
<td>0.15</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H4 c</td>
<td>TP =&gt; VAB</td>
<td>2.07</td>
<td>0.22</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
<tr>
<td>H4 d</td>
<td>TP =&gt; VIN</td>
<td>2.48</td>
<td>0.29</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
<tr>
<td>H4 e</td>
<td>TP =&gt; VBE</td>
<td>1.38</td>
<td>0.16</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H5 a</td>
<td>ABI =&gt; VAB</td>
<td>-1.14</td>
<td>-0.12</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H5 b</td>
<td>ABI =&gt; VIN</td>
<td>-2.93</td>
<td>-0.38</td>
<td>Significant but type 1 (α) error occurs (Hypothesis rejected),</td>
</tr>
<tr>
<td>H5 c</td>
<td>ABI =&gt; VBE</td>
<td>-1.94</td>
<td>-0.24</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H6 a</td>
<td>INB =&gt; VAB</td>
<td>-0.55</td>
<td>-0.055</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H6 b</td>
<td>INB =&gt; VIN</td>
<td>-0.59</td>
<td>-0.065</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H6 c</td>
<td>INB =&gt; VBE</td>
<td>-1.24</td>
<td>-0.14</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H7 a</td>
<td>ABI =&gt; GII</td>
<td>2.26</td>
<td>0.19</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
<tr>
<td>H7 b</td>
<td>INB =&gt; GII</td>
<td>0.42</td>
<td>0.034</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H8 a</td>
<td>VAB =&gt; PI</td>
<td>1.78</td>
<td>0.19</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H8 b</td>
<td>VIN =&gt; PI</td>
<td>1.07</td>
<td>0.11</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H8 c</td>
<td>VBE =&gt; PI</td>
<td>-1.83</td>
<td>-0.22</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H9 a</td>
<td>ABI =&gt; PI</td>
<td>1.62</td>
<td>0.13</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H9 b</td>
<td>INB =&gt; PI</td>
<td>1.15</td>
<td>0.089</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H10 a</td>
<td>VAB =&gt; GII</td>
<td>1.64</td>
<td>0.19</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H10 b</td>
<td>VIN =&gt; GII</td>
<td>3.63</td>
<td>0.37</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
<tr>
<td>H10 c</td>
<td>VBE =&gt; GII</td>
<td>0.40</td>
<td>0.050</td>
<td>Not Significant (Hypothesis rejected)</td>
</tr>
<tr>
<td>H11</td>
<td>GII =&gt; PI</td>
<td>7.72</td>
<td>0.68</td>
<td>Significant (Hypothesis accepted)</td>
</tr>
</tbody>
</table>

Based on the result of hypotheses test in table 2, it can be concluded that all antecedents of trust (familiarity, perceived similarity, structural assurances, and trust propensity) have positive influence into trust in members and trust in vendors, which also means that hypotheses 1-4 are accepted. The result of the study is in line with previous study by Lu et al. (2010) in general, but with different representative. According to them, “the difference may be due to the
nature of such a community, whose aims to provide a platform for communicating purchase and usage experiences of products”.

In hypothesis 5, researcher found that trust in member’s ability has negative influence into trust in vendor. This result would be contrary to the existing result conducted by Lu et al. (2010). The argument that might be the cause of the result is because of the difference in such VCs (Lu et al. in 2010) between Taobao and Kaskus. If in Taobao, trust in member’s ability can be seen easily through official feedback and testimonial of other members, Kaskus tends to recommend Kaskuser to see other’s member ability through their good reputation point. However, the regrettable fact is cendol (good reputation point) are sold ilegally by some members which makes those recommended system offered by Kaskus is not working. Thus, instead of trust in Kaskus, members of Kaskus tends to trust in ability of other members. In the other side, the result of hypothesis 6 found that trust in member’s integrity and benevolence has no influence into trust in vendor which in line with existing study by Lu et al. (2010).

In hypotheses 7 to 10, the result showed that both trust in members and trust in website or vendor has positive influenced into intention to get information, but not into purchase intention. Once again, it may be due to the nature difference of such a community in which Kaskus as medium for buyers and sellers has no responsibility in terms of transaction occured. Thus, unlike Taobao in China, members of Kaskus tends to look for more information instead of having purchase intention directly. Last but not least, the result of hypothesis 11 shows that intention to get information has positive influence into purchase intention as line with existing study by Lu et al. (2010).

CONCLUSION AND RECCOMEDATION

Based on the result of research and statistical test conducted, researcher found that trust in Kaskus has positive influence Kaskusers’ purchase intention. Furthermore, 11 main hypotheses were developed with 7 of them are proven, and 4 of them are not. The following explanations are:
1. There is positive effect of familiarity on trust in Kaskuser

2. There is positive effect of perceived similarity on trust in Kaskuser

3. There is positive effect of structural assurances on trust in Kaskuser and trust in www.kaskus.co.id or vendor in Kaskus

4. There is positive effect of trust propensity on trust in Kaskuser and trust in www.kaskus.co.id or vendor in Kaskus

5. There is negative effect of trust in Kaskuser’s ability on trust in www.kaskus.co.id or vendor in Kaskus

6. There is no effect of trust in Kaskuser’s integrity and benevolence on trust in www.kaskus.co.id or vendor in Kaskus

7. There is positive effect of trust in Kaskuser on intention to get information

8. There is no effect of trust in www.kaskus.co.id or vendor in Kaskus on purchase intention

9. There is no effect of trust in Kaskuser on purchase intention

10. There is positive effect of trust in www.kaskus.co.id or vendor in Kaskus on intention to get information

11. There is positive effect of intention to get information and purchase intention

The finding of this result has enriched the understanding about e-commerce, especially in terms of ESN, and also provides suggestions to any ESN on enhancing their VCs. First, any ESN should pay more attention to structural assurances as it plays the most important role in fostering trust in the members, and vendor or website that further affects members’ intention to get information from the VCs, and have purchase intention in the end. Second, any ESN should motivate more experienced members to share their experience and knowledge with others to develop familiarity and perceived similarity among members. Third, ESN should improve its reputation among members in terms of the
providers’ integrity is more useful in encouraging the conversion from VC members to C2C buyers in ESN.

In the end, this study also has a limitation which can open up opportunities for further research. First, future research can separate each dimension of trust to examine different aspects of trust in more detail. Second, researcher recommends to do research in different countries to deepen the knowledge about ESN.

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