

CHAPTER 1 INTRODUCTION

The history of social media in Indonesia and the phenomenon of social media purchase intention in Papua, specifically fashion retailers, are briefly explained in this chapter. Problem formulation of consumer Purchase Intention in Papua especially in small cities. In addition, the study also provides problem statements, research questions, objectives, and research benefits.

1.1 Research Background

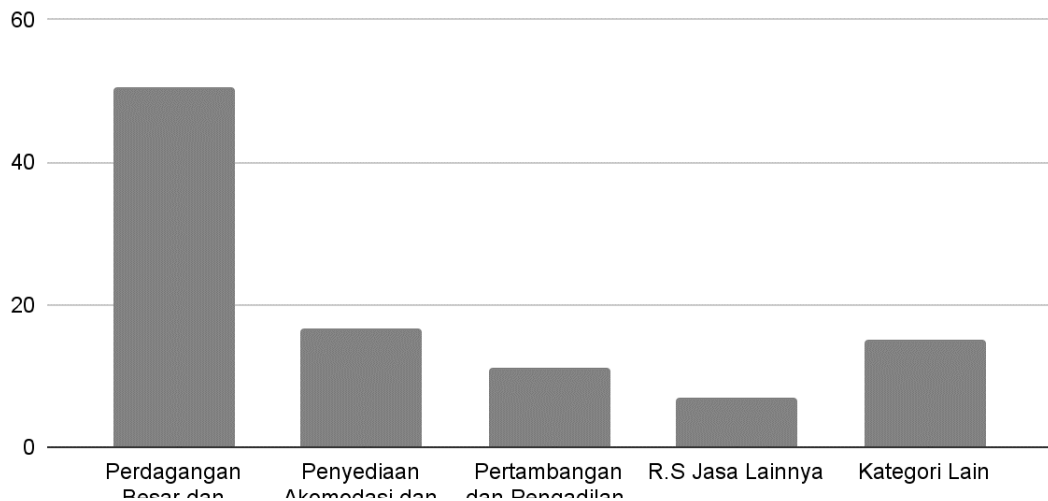
Social media was born as a mechanism for connections and reconnections people to people and has a profound impact on the world's population's way of life. The internet as an online technology tool is widely used to support business activities which have become one of the most important indicators of digital transformation in today's marketing practices. Thus, with the increase in social media users during the pandemic, many businesses promote various products mainly on social media sites including Facebook, Instagram, and Tiktok (Almazrouei et al., 2020). The utilization of social media for business gains increased, along with government policies requiring social and physical distance during pandemics. Government regulations to stay home and work at home have affected market transactions (Alameeri et al., 2021). In market transactions, people in some parts of the city have changed their shopping behavior to meet their basic online needs. To keep businesses alive, people need to switch their business from offline stores to online purchases (Kim et al, 2020; Mulyantina, 2019).

Not long ago, Indonesia started using social media as a platform for shopping and social media has impacted how people spend their money these days. According to *Badan Pusat Statistik* (BPS) of Indonesia, the media for promoting goods and services online

categorizes various kinds of media which is the marketplace.

Figure 1. Total of E-commerce businesses that use instant messages for selling products and services

Total of E-commerce used Instant Messaging



Note. Ecommerce businesses according to field/category and sales media: instant Messaging 2019an

The survey above explains that instant messaging (social media) for selling products and the most used instant messaging platforms by businesses for selling with 90,56% of businesses making use of social media platforms such as Whatsapp, Line, Instagram, Facebook, for selling online. To summarize, social media has a greater impact on businesses today where it needs to keep the transaction of buyer and seller going on.

In the east part of Indonesia, especially Papua, people have started to use social media for not only communication but also for selling goods and services. Internet connection in Papua which has been increasing over the years helps people from other cities to order or send products. According to *Badan Pusat Statistik* (BPS), from 2017 until

2019 internet users in Papua expanded by 21,70%. Even though Papua left behind other cities, the significant difference has a positive impact on Papua citizens.

Figure 2. Social Media Fashion account in Papua



Note. Taken from an Instagram account from @apaclothing

Figure 3. Social Media of Papuan Traditional Accessories



Note. Taken from an Instagram account from @labewafashionpapua

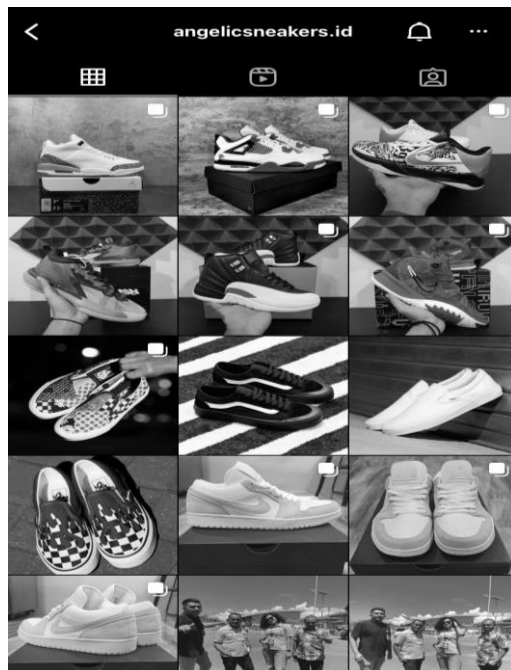
Of all social media platforms, Instagram is the third largest social media platform after Facebook. This platform facilitates two-way communication and gives the larger audience access to the business. Compared to other platforms, It has a higher utilization of interaction, co-creation, and engagement. Like other social media platforms, Instagram helps micro-entrepreneurs acquire new customers, collaborate, raise awareness, attract attention and reduce marketing costs (Nurhayati, 2021).

The Phenomenon of social media commerce also happens in Papua. Shopping online has been one chosen platform by modern users nowadays, including people from Papua due to the ease, fast, and accuracy of the information and the results of shopping from trusted platforms. Figure 2 and 3 shows that online platform from trusted social media that has over a thousand followers. Products that have been sold are other than shoes, clothes, and accessories with Symbols and uniqueness of Papuan itself. The purpose

is to introduce to the world Papuan products and unique cultures. Other social media accounts, for example, @angelicsneakers.id, also sell export shoes such as Nike, Jordan's, etc. due to the high demand for fashion in Papua that has been increasing over the year, many export products enter Papuan to fulfill their needs. Figure 4 shows the branded shoes that have been sold online by businesses through Instagram.

Figure 4

Social Media retailer in Papua



Note. Taken from Instagram account: @angelicsneakers.id

Previously, social media accounts of businesses selling online through Instagram that had positive responses from customers in Papua, can be seen from their testimony which explained that people are satisfied with the products and trusts the seller by buying from them. However, buying online is difficult for some people who live in small cities in Papua due to the difficulty of transportation in Papua, people hardly shop online (Kumar et al., 2012). The government has developed an airport that will be the center of logistics distribution in Yahukimo district, especially for people who live in Pegunungan Bintang, Lembah Baliem, and surrounding areas, where all the logistics arrive there and would be distributed to other districts. Yet, some people usually ask their relatives or friends to bring their orders if they visit their cities (Strang, 2019).

Table 1. Shipping Rates of Logistics surrounding Papua

Destination	Price/kilogram	Minimal Charge (kg)	Lead Time
Jayapura	Rp15,000	100	7-8 days
Biak	Rp15,000	100	7-8 days
Serui	Rp19,000	100	8-10 days
Nabire	Rp15,000	100	8-10 days
Timika	Rp25,000	200	14 days
Merauke	Rp25,000	200	14 days
Wamena	Rp40,000	200	14 days
Manokwari	Rp15,000	100	7-8 days
Sorong	Rp14,500	100	7-8 days
Fak Fak	Rp25,000	200	7-8 days
Kaimana	Rp24,000	100	8-10 days
Bintuni	Rp30,000	100	8-10 days

Source: PT.Raftel Logistik Nusantara

According to the table above, cheap logistics services throughout Papua between other cities are indeed not as easy as shipping between cities in Java islands, and surrounding areas. From the geographical conditions in Papua, all customers are required to be selective in choosing good delivery services which means that not only are cheap shipping rates throughout Papua recommended but also estimated delivery times, guarantees for the safety of goods, and other important considerations.

According to *Kementrian Komunikasi dan Informatika* (Kemenkominfo) through *Badan Aksesibilitas Informasi* (BAKTI) have been developed 9 based transceiver station (BTS) in Jayapura, Serui, Biak, 10 other districts Papua due to have better connection to the internet. However, there are a variety of challenges due to the geographical condition that blocks access to transportation. Based on this information, the government has been putting so much effort into developing a better internet connection in Papua where people can easily access any platforms for searching for information and shopping for their needs (Kemenkominfo, 2018).

From the information above, the author states that this research will be about "Consumer Purchase Intention through Social Media in Papua, especially from the Fashion Retailer within small cities" with the geographical conditions in Papua. The author examines social media in this study as commerce to engage Purchase Intention (PI), Consumer Trust (CT), Social Media Adoption (TAM), Consumer Satisfaction (CS), Perceived usefulness (PU) and ease of use (EU) (PEU). The purpose of this research is to analyze into the impact of social media on consumer buying intention of fashion products in small cities surrounding Papua. This study further examines the impact of social media on consumer purchase intentions through trust and satisfaction.

1.2 Research Problems and Research Questions

1.2.1 Research Problem

There is very little research conducted particularly on the Fashion Retailer in Papua through social media. People in small cities such as Jayapura, Serui, Biak, and 10 districts in Papua, Indonesia do transactions online while the geographical conditions in Papua cause customers to wait for certain times until the goods arrive. Therefore, there must be a certain Trust and Satisfaction which has been increasing over the years (G.D.V., 2020). From the explanation, the author focuses on investigating the intention of using social media by consumers for purchasing their fashion products online in Papua, Indonesia. At the same time, that will be determined in this research and will elaborate on the questions for this research, as follow;

1. Does Consumer Trust (CT) affect Perceived of Usefulness (PU)?
2. Does Consumer Trust (CT) affect Perceived Ease of Use (PEU)?
3. Does Consumer Satisfaction (CS) affect Perceived Usefulness (PU)?
4. Does Consumer Satisfaction (CS) affect Perceived Ease of Use (PEU)?
5. Do Consumer Trust (CT) affect Social Media Adoption (TAM) through Perceived Usefulness (PU) and Consumer Satisfaction (CS) affect Social Media Adoption (TAM) through Perceived Ease of Use (PEU)?
6. Does Social Media Adoption (TAM) affect Purchase Intention (PI)?

1.3 Research objectives

The research objectives are, listed below;

1. To ascertain how Consumer Trust (CT) effect on Perceived of Usefulness (PU)
2. To determine how Consumer Trust (CST) effect Perceived Ease of Use (PEU)

3. To determine Consumer Satisfaction (CS) effect on Perceived Usefulness (PU)
4. To determine Consumer Satisfaction (CS) effect on Perceived Ease of Use (PEU)
5. To determine how the effect of Consumer Trust (CT) on Social Media Adoption(TAM) through Perceived Usefulness (PU) and Consumer Satisfaction (CS) on Social Media Adoption (TAM) through Perceived Ease of Use (PEU)
6. Social Media Adoption (TAM) on Purchase Intention (PI)

1.4 Research Contribution

The purpose of this study is essential to approach to develop information and create provable arguments to support specific implications, by investigating Consumer Purchase Intention through Social Media, especially in Online Retailer, this study states that purchasing online could be beneficial for both consumer and seller and the effect of social media commerce towards society. Furthermore, this study could be beneficial for the reader and also for knowledge development in the future.

1.5 Research Structure

Figure 5. Research Workflow

