Social Presence and Trusting Belief during Buyer-Seller Interaction in Electronic Marketplace

Evi Rinawati Simanjuntak
Faculty Member in Masters Management Program
Binus Business School
Bina Nusantara University
Jakarta, Indonesia
esimanjuntak@binus.edu

Javin Vinod Shahri
Alumni of Business Management and Marketing Program
Binus Business School
Bina Nusantara University
Jakarta, Indonesia
javin.shahri@binus.ac.id

Abstract

This research aims to investigate the influence of social presence of others, social presence of interaction, social presence of E-marketplace’s website informativeness to trusting beliefs. Furthermore, the research will also investigate the relationship between trusting beliefs to purchase intention amongst E-marketplace users in Indonesia. This is a descriptive research that measures individual’s perception and attitude toward the influence of social presence toward purchase intention mediated by trust. The unit of analysis in this study is consumer of e-marketplace. Data collection used convenience sampling. Pre-test on 30 respondents was done to test reliability and validity of measurement items, using construct reliability and average variance extracted values. 200 usable responses were analysed using variance-based SEM to test the hypothesis. Findings show that social presence of interaction and website informativeness play an important role in shaping the trusting belief. However, we don’t find support on the impact of social presence of others to the establishment of trusting belief. The research result also confirms that higher trusting belief relates to higher purchase intention. This research study fills the research gap where the significance of social presence has previously not been explored for e-marketplaces in Indonesia. This research sheds light to the understanding of interactivity in electronic marketplace, in the context of social presence. The result will give insight to the stakeholders in the electronic marketplace on how to interact with (prospective) buyers.

Keywords
Social presence, Trusting beliefs, Online marketplaces, Purchase intention

Dr. Evi Rinawati Simanjuntak, MM. is currently teaching as a full-time professor in Masters of Management Program in Binus Business School, Jakarta, Indonesia. Between 2012-2014, she served as the Head of School in Marketing Program at the same university. She holds an undergraduate degree in Electrical Engineering Department of Faculty of Industrial Technology – Bandung Institute of Technology (ITB), Indonesia; a Master’s in Management Program from IPMI Business School, and a Ph.D. degree in Management at University of Indonesia. She is also an affiliate faculty member for Institute for Competitiveness, Harvard Business School, teaching Microeconomics of Competitiveness. Before joining Bina Nusantara University, she worked in Telecommunication industry for 14 years, and her last position was Transmission Network Planning manager. She also involved in project consultancy tasks from Trade Cooperation Facility (TCF) - European Union project in Indonesia; one of it is about Nation Branding in 2015. In addition to her academic activities, she also involves in giving trainings and coaching programs for middle management level, in which she received an award as Best Facilitator. Her research interests are in digital business, interactive marketing and luxury marketing. She takes part in writing a chapter in a book ”Strategic Management – Firm Performance Series” in 2020, and one chapter in “The Essence of Luxury: An Asian Perspective” in 2016.
Javin Vinod Shahri was a student of Binus International University, where he received his Bachelor degree in Business Management and Marketing. After graduation, he is pursuing his entrepreneurship career in Indonesia. Currently, he runs an online business of sports equipment in Indonesia. Mr. Javin served as a lead member by teaching students in Indus International Charity School (IICS). He also held a Certificate for diploma in ACCA accounting from London School of Accountancy and Finance, Indonesia.