An Experimental Study: The Perception of The Availability of Facebook Pay as An Escrow Service and The Impact On Purchase Intention on Instagram

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Abstract

Facebook is launching Facebook Pay in 2020. This study uses an experimental design to examine whether or not the availability of Facebook Pay could have a significant effect on perceived financial risk, trust, perceived usefulness, and perceived use on purchase intention in Instagram. A research model that depicts the purchase intention on Instagram compared the two groups, 76 respondents as an experimental group and 62 respondents as a control group. This study tests a research model with structural equation modeling (SEM PLS). This study shows no significant difference between the experimental & control groups related to perceived financial risk, trust, perceived usefulness, and perceived use on purchase intention on Instagram. Interestingly, the strong relationship between perceived financial risk, trust, perceived usefulness, and perceived use and purchase intention in the experimental group is stronger than the control group. This study's findings could help the practitioners to maximize product and marketing effort for maximizing Facebook Pay function for social commerce users and give a new understanding of these study variables for future research. This study has written discussions, limitations, and recommendations for future research.

Keywords
Perceived financial risk, trust, perceived of usefulness, perceived ease of use, purchase intention.

1. Introduction
The rapid development of technology today encourages people to do most of their activities online, including shopping. The data shows that 168.3 million consumers purchase goods online until December 2019 (Kemp 2020). Moreover, Bain & Company and Facebook predict that online shopping growth will continue 3.7 times in 2025 (The Jakarta Post 2020). Business players see this phenomenon as an opportunity to expand their sales channels online. Online shopping is currently strongly related to e-commerce, a subset known as social commerce (Cheng et al. 2017). Social commerce is a merger of e-commerce and social media (Zhao et al. 2019). In recent years, consumers have used social media to get information about product reviews, sharing, and recommendations before consumers contact the seller on an e-commerce platform. Therefore, business players use social commerce (i.e., Instagram) to facilitate business entities to operate their sales and marketing activities.

This phenomenon could generate new business ideas that drowned before, such as the re-existence of social commerce, and it could potentially shift the trend of e-commerce platforms. Several aspects differ between them: business model, value creation, value chain, customer communication, system interaction aspect like; in e-commerce platforms, there

are only one-way browsing and one-way creation of content (from business to consumers). Meanwhile, social commerce is more inclined as an interactive approach, allowing consumers to express themselves and share information with other consumers and businesses (e.g., reviews, sharing, and recommendations). In design aspects, e-commerce platforms tend to discover mechanisms (search), whereas in social commerce driven by user-centered, technology platforms, and legal issues (Huang & Benyoucef 2013).

Indeed, social commerce offers more benefits, such as being easier to use and its usefulness. However, still, there is a barrier for consumers shopping on social commerce platforms and prefer to shop via e-commerce due to the risks that arise when shopping via social commerce, specifically financial risk. Consumers consider the security and the risk in terms of the financial aspect (Bhatti et al. 2018). Consumers tend to ensure that they can transact securely online since shoppers do not get the goods directly after the payment. By now, social commerce platforms do not facilitate the payment systems inside their platform compared to e-commerce, which provides tracker features to ensure that the sellers deliver the product to the consumers. In social commerce, consumers have to pay directly to the seller, without any third-party service inside the application such as escrow service, as a way to transact securely between buyer and seller on Instagram. It aligns with our preliminary findings that show 33,8 percent of 139 respondents feel unsafe while directly transacting with the seller (as shown in figure 1). It shows consumers worry about experiencing the risk when using it. The risk perception is strongly related to trust (Esmaeili et al. 2015; Bhatti et al. 2018). Our preliminary findings show that consumers' perception of risk and trust toward social commerce become a barrier.

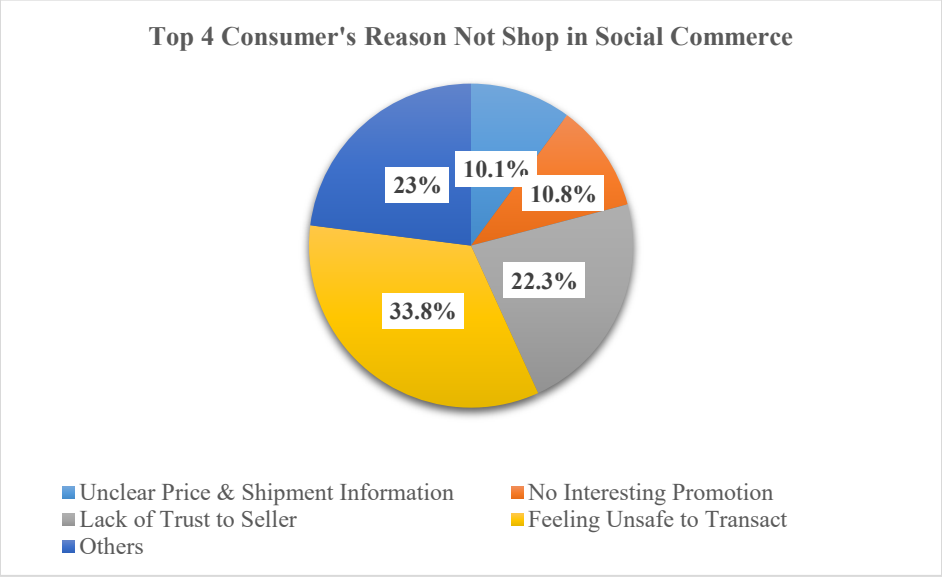

Figure 1. Preliminary Findings - Top 4 Consumers' Reasons Do Not Want To Shop In Social Commerce

Whereas social commerce can become an attractive shopping channel for consumers as social commerce provides particular goods that are not available in e-commerce. Therefore, some social media platforms see this as an opportunity, like WeChat in China. Providing WeChat Pay accommodates consumer needs to prevent the risk, build trust, and make consumers easier to use and valuable for them. Facebook also launched Facebook Pay in 2020 in Indonesia as the payment system used across Facebook Inc's cross-platform such as Instagram, WhatsApp, and Facebook (Kompas.com 2019). Previous studies have shown that some factors could affect the consumer's behavioral intention, and some factors could strengthen or hinder their behavioral intention (Fang et al. 2014; Lu et al. 2016; Nguyen et al. 2016; Phonthanukitithaworn et al. 2016; Marriott & Williams 2018). However, those studies also showed that different contexts and markets would generate different results.

The study uses an experimental study of the availability of Facebook Pay in the Indonesian market. The findings of this study can be beneficial for social commerce platforms (Instagram) to consider the solution before launching the new feature, which could increase their shopper's purchase intention effectively. Therefore, this study uses the availability of Facebook Pay as a study context to examine its effect on the relationship between perceived financial risk, trust, perceived usefulness, and perceived ease of use towards purchase intention in Instagram.

1.1 Research Objectives

The current study aims to answer the following points:

- To understand the impact of perceived financial risk, Trust, perceived ease of use, and perceived usefulness on consumers' purchase intention via Instagram.
- To understand whether the availability of Facebook Pay as an escrow service could have a significant impact on the relationship of perceived financial risk, trust, perceived ease of use, perceived usefulness, and consumers' purchase intention via Instagram.

2. Literature Review

2.1 Previous Studies

Various studies use perceived risk, trust, ease of use, usefulness, and purchase intention as the variables in their research, but they also use different contexts in their research. For example, a study from Phonthanukitithaworn et al. (2016) uses the same variables to examine Thai consumers adopting m-payment and compare the different groups: m-payment current users and potential users. The result shows significant differences between m-payment current users and potential users when they see the impact of subjective norms, perceived risks, and perceived cost on behavioral intention to adopt m-payment (Phonthanukitithaworn et al. 2016). Nguyen et al. (2016) research the same nuances which predict Vietnamese consumers' intention to use m-payment services. The result shows that trust and perceived ease of use become the strongest predictor for Vietnamese consumers' intention to use m-payment services. Cabanillas et al. (2014) also studied the consumer's intention in adopting new m-payment systems. The result shows perceived usefulness and perceived risk become the second & the third factors that have the highest impact in determining consumers' intention to adopt new m-payment systems (Cabanillas et al. 2014).

In comparison, a study from Li et al. (2007) found that trust has a strong significant relationship with online shopping purchase intention in the China market. The study also shows that perceived risk and perceived ease of use can form Chinese consumers' Trust (Li et al. 2007). The previous studies have shown that different contexts will have different factors which affect consumers' behavioral intentions. Most studies also use the existing payment system to test these variables. However, it is still rare for studies to use the new payment system to examine the relationship between the variables. This current study views a different perspective that a new payment system in the particular online shopping channel could probably strengthen or hinder consumers' intention to purchase via certain channels.

2.2 Social Commerce

Nowadays, marketers use social media as a marketing tool and strategy to obtain traffic. Whereas social media becomes a channel for them to sell their product to consumers, it is called social commerce. Social commerce facilitates the exchange of operant resources (i.e., non-physical, information, ideas, and knowledge) among multiple actors outside the market, leading to the integration of operand resources (i.e., physical, money, and products) between the buyer and the seller (Hajli et al. 2017). There are two types of social commerce, and one of them is based on a Web 2.0 platform that incorporates e-commerce features, such as Instagram (Hajli et al. 2017). These social commerce platforms allow users to create and decorate their page, upload content (pictures, videos, news), promotions, and any other information regarding their products/services to sell their products or services. These platforms enable sellers & buyers to interact adequately among them, leave a comment, rate, & share the account, share the product information to others. However, this type of social commerce does not support an adequate payment feature. Thus, sellers and buyers must do transactions outside the platform. This study will use Instagram as our case study. Instagram is also considered a holy grail of social commerce (Kit 2016). Hence, researchers expect that the research result could depict the current phenomenon.

2.3 Purchase Intention

Purchase intention is an element of consumer cognitive behavior that reveals how a person intends to buy a particular brand. Purchase intention evolves from the term intention, which comes from behavioral science. In other words, it is a plan to instruct a person to behave in a certain way, and it implies in "I must do" and "I will do" ways (Lu et al. 2016). Purchase intention can predict what products or brands consumers will buy when shopping (Huang & Su 2011). In the online shopping context, marketers currently do various ways to enhance the purchase intention, one of which is to provide the trusted and easiest payment method. For example, e-commerce like Tokopedia, Shopee, etc., provides an escrow service to mediate the transaction between sellers and buyers so that no party is harmed. Unlike social commerce like Instagram, the sellers and buyers will do the transaction outside the platform.

Researchers view that the objective with the launch of Facebook Pay becomes the mediator between sellers and buyers. In this study context, purchase intention refers to the willingness of consumers to buy products or services from social commerce if that social commerce provides a Facebook Pay as a payment system. Previous studies have shown several antecedents that can affect purchase intention. However, if it adapts to the context of this study, the antecedents that form purchase intention are perceived financial risk, trust, perceived ease of use, and perceived usefulness.

2.4 Perceived Financial Risk

Every purchase in any shopping channel will pose a risk, including social commerce. Some risks could be identified from the purchase journey, such as financial, product efficiency, social, psychological, and time-convenience losses (Nenonen 2006; Hasan & Rahim 2008). In the online shopping context, financial risk becomes the primary risk customers face (Bhatti et al. 2018). Financial risk is a probability of consumers suffering monetary loss from purchase when the product or if the product is not worth the price paid does not perform well (Featherman & Pavlou 2003). It will impact the negative consumer behavior in online shopping, such as reducing consumers' intention to purchase in social commerce (Bhatti et al. 2018). A possible loss could also identify the financial risk is due to goods not shipped, poor after-sales, and low warranty (Wandoko et al. 2017). Consumers' perception of financial risk could be a barrier to purchasing via social commerce (Ariff et al. 2014). Hence, financial risk in this study is characterized as a situation in which consumers face possible losses of money during a social commerce transaction due to products not being delivered or unexpected product quality.

2.5 Trust

Trust bridges between a variable of financial risk and purchase intention because these two variables are inconclusive (Bhatti et al. 2018). In the prior study by Cheng et al. (2017), using an emotional conception of Trust affects consumers' Trust in social commerce, such as transaction safety. Transaction safety is website security level could provide in money and product transaction. This study context will use transaction safety as a conception of Trust as transaction safety becomes a significant factor in building consumers' Trust in social commerce (Beyari & Abareshi 2018). Consumers are still facing uncertainty & insecurity during the transaction in social commerce as it does not provide a payment feature. All transactions will be done outside the platform and only between consumer & seller. While e-commerce provides online payment features & the protection could be derived from online payment providers, which is escrow services. Escrow service is a system that prevents the sellers from getting the money before consumers confirm their order (Wandoko et al. 2017). This study views that social commerce could probably provide the escrow service to protect & reduce the consumers' uncertainty. This viewpoint is reflected in the success of WeChat in China, which can merge social media and online commerce into a single platform, where WeChat also has an integrated online payment system so that consumers can feel secure while making transactions. Furthermore, the purpose of the current study is to experiment with the effect of Escrow service availability.

2.6 Technology Acceptance Model (T.A.M.)

The current study uses TAM as it has a simpler model & easier to apply more efficiently in predicting and explaining an individual's adoption intention and actual behavior (Phonthanukitithaworn et al. 2016). TAM has two aspects that are perceived ease of use and perceived usefulness. The perceived ease of use of potential adopters of an information system will affect their behavioral intention to use certain technologies (Hongyao 2013). Perceived ease of use is the extent to which using a new idea, technology, or innovation is expected to be relatively free of physical, emotional, or psychological effort for potential adopters - thus enabling them to improve the results of their tasks. While perceived usefulness is the extent to which a person believes that using a particular idea, technology or innovation will improve his task and performance. In other words, it is defined as the extent to which an individual believes that trading through the service will increase the effectiveness of shopping (Shih 2004).

2.7 Escrow Service and Facebook Pay

Escrow service is a dispute avoidance system that prevents the seller from getting the money before buyer confirmation on good receiving (Wandoko et al. 2017). It also prevents the sellers from delivering the goods before the escrow service provider notify them that the buyer has already deposited the money into the escrow account (Wandoko et al. 2017). The primary purpose of the escrow service is to provide a sense of security for both the seller and buyers when they do online transactions on the platform (Atmojo et al. 2016). Facebook and Instagram have an escrow service called Facebook Pay and is already implemented massively in several countries, such as Thailand, Japan, South Korea, Singapore, USA, UK, Italy, Etc. (Facebook Pay Official Website 2020). Facebook Pay is a seamless, secure way to

pay on the apps already used, and it is available in Facebook Group, that is, Facebook, Instagram, and WhatsApp (Stephannie 2020). In Indonesia, Facebook applied for Facebook Pay's operating license in 2020 (Stephannie 2020).

2.8 Research Model

Perceived Financial Risk & Purchase Intention

There are various situations that could describe a financial risk, such as (1) consumers should disclose their personal information (Ariff et al. 2014); (2) the possibility of a certain amount of money may be lost or required to make a product work properly (Maoud 2013); (3) a possible loss is due to goods not shipped, poor after-sales, and low warranty (Wandoko et al. 2017). Those negative situations could reduce consumers' intention to use or buy via social commerce (Bhatti et al. 2018). In this study context, we also compare consumers' perceptions between the group who see Facebook Pay and the group who see the current interface. We believe that Consumers perceive that Facebook Inc, as a parent company of Facebook, Instagram, and WhatsApp, has the credibility to launch this feature. The existence of Facebook Pay could reduce perceived financial risk. Hence our main & sub-hypothesis are (figure 2):

H1: Consumers' perceived financial risk has a significant negative impact on their purchase intention on Instagram.

H1a: Perceived financial risk has a significant negative impact on purchase intention among those who saw Facebook Pay available on Instagram.

H1b. Perceived financial risk has a significant negative impact on purchase intention among those who saw Facebook Pay unavailable on Instagram.

H1c. The impact of perceived financial risk on purchase intention among those who saw Facebook Pay available on Instagram will be lower than its impact on those who saw Facebook Pay unavailable on Instagram.

Trust and Purchase Intention

The consumers' intention to buy from an online shopping platform depends on their attitude towards online shopping. The platform's ability to gain consumers' trust shapes it (Javeernpa 2006). Prior studies show that trust becomes a significant element to influence a purchase intention, especially in the online context (Wang 2003; Li et al. 2007). In the current study context, we also want to understand the effect of consumers' Trust when Facebook Pay is available & unavailable on Instagram as one of the alternative options. Therefore, the main & sub-hypothesis are (figure 2):

H2: Consumers' Trust has a significant positive impact on their purchase intention on Instagram.

H2a. Trust has a significant positive impact on purchase intention among those who saw Facebook Pay available on Instagram.

H2b. Trust has a significant positive impact on purchase intention among those who saw Facebook Pay unavailable on Instagram.

H2c. The impact of trust on purchase intention among those who saw Facebook Pay available on Instagram will be greater than its impact on those who saw Facebook Pay unavailable on Instagram.

Perceived Usefulness and Purchase Intention

Perceived usefulness is a consumer's belief that using a particular system would enhance their job performance (Davis 1989). The prior study shows that perceived usefulness becomes a strong predictor of behavioral intention (Cabanillas et al. 2014). In the current study, we want to understand the effect of perceived usefulness on consumers' intention to purchase when Facebook Pay is available & unavailable on Instagram. Thus, we hypothesize (figure 2):

H3: Consumers perceived of usefulness has a significant positive impact on their purchase intention on Instagram

H3a. Perceived usefulness has a significant positive impact on purchase intention among those who saw Facebook Pay available on Instagram.

H3b. Perceived usefulness has a significant positive impact on purchase intention among those who saw Facebook Pay unavailable on Instagram.

H3c. The impact of perceived usefulness on purchase intention among those who saw Facebook Pay available on Instagram will be greater than its impact on those who saw Facebook Pay unavailable on Instagram

Perceived Ease of Use and Purchase Intention

Perceived ease of use is a consumer's belief that using a particular system would be a free effort (Davis 1989). Previous studies have findings that perceived ease of use has a significant impact on consumers' intention to purchase (Sin et al. 2012; Nguyen et al. 2016). This study also wants to understand the effect of perceived ease of use on consumers' purchase intention when they see Facebook Pay available & unavailable on Instagram. Hence, our main & sub-hypothesis are (figure 2):

H4: Consumers' perceived ease of use has a significant positive impact on their purchase intention on Instagram.

H4a. Perceived ease of use has a significant positive impact on purchase intention among those who saw Facebook Pay available on Instagram.
H4b. Perceived ease of use has a significant positive impact on purchase intention among those who saw Facebook Pay unavailable on Instagram.
H4c. The impact of perceived ease of use on purchase intention among those who saw Facebook Pay available on Instagram will be greater than its impact on those who saw Facebook Pay unavailable on Instagram.

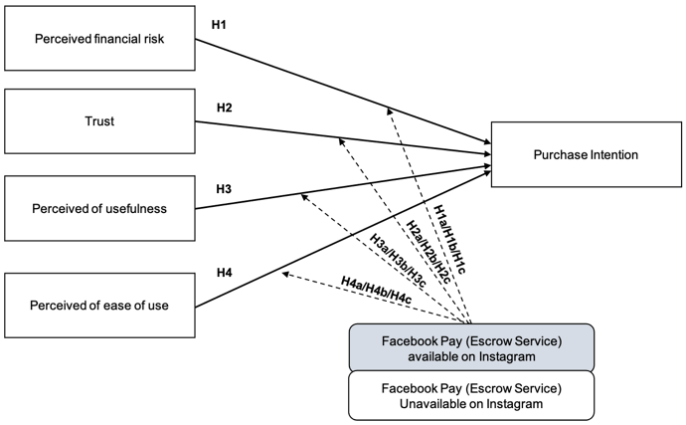

Figure 2. Proposed Research Model

3. Stimulus Development

The study uses an experimental study to investigate causality due to the high degree of control (Beaumont 2009). This study uses online controlled experiments and A/B testing, in which there are different journeys in two Instagram's interface designs shown to each group of respondents. The stimulus of this research is the availability of Facebook Pay as the escrow service to examine the assessment differences between two groups of respondents. The first group of respondents assessed the purchasing journey in the new Instagram interface, facilitated with Facebook Pay (figure 3) as the stimulus. On the other hand, the second group of respondents assesses the current Instagram's interface design (figure 4).

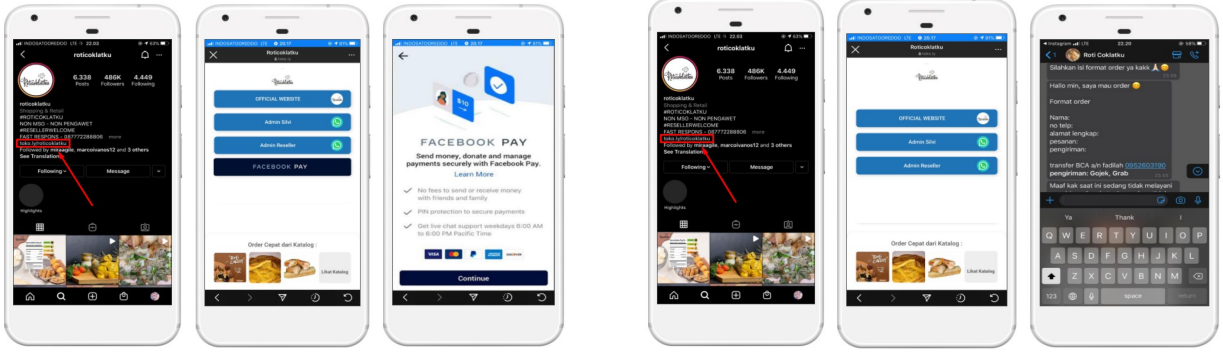

Figure 3. Design 1 (left) Instagram New Interface with Facebook Pay & Figure 4. Design 2 (right) Instagram Current Interface without Facebook Pay

4. Methodology

4.1 Study Procedure and Measure

Data collection in this study is primary data. It was collected by online questionnaire using SurveyMonkey. The data collection was conducted in 2020. The participants are divided into two groups. The first group is given a purchasing journey and payment process simulation on Instagram's new interface design. The second group is given a purchasing journey and payment process simulation on Instagram's current interface design. Hence, each group of participants

was exposed and received a different simulation design to examine the assessment differences. After each group undergoes the simulation, the participants fill out the online questionnaire and assess based on each group's purchasing process simulation. Each statement in the questionnaire is assessed using a Likert scale from 1 to 5 (1= strongly disagree; 2= disagree, 3 = neutral; 4= agree; 5=strongly agree).

The measurement for this study consists of 20 items, as presented in Table 1. The items in this study were derived from previous studies which related to perceived financial risk, trust, perceived usefulness, perceived ease of use, and purchase intention topic.

Table 1. Measurement Items

Construct	Measurement Item	Reference
Perceived Financial Risk (PFR)	I feel that my bank account details will not be compromised and misused by sellers with the purchase & payment method available on Instagram (PFR1)	(Ariff et al. 2014; Dai et al. 2015; Ariffin et al. 2018)
	I will not get overcharged if I shop using the purchase & payment method available on Instagram (PFR2)	
	I am not concerned that I may not receive the item purchased if I shop using the purchase & payment method available on Instagram (PFR3)	
	I am not concerned that the product may not be worth the money that I spent if I shop using the purchase & payment method available on Instagram (PFR4)	
Trust (TR)	Promises made by Instagram through its purchase & payment method are likely to be reliable (TR1)	(Gefen & Straub 2004; Lu et al. 2016; Hajli et al. 2017)
	I do not doubt the honesty of the purchase & payment method available on Instagram (TR2)	
	If I required help related to the purchase & payment method, Instagram would do their best to help me (TR3)	
	I expect the purchase & payment method available on Instagram puts consumers interest before its own (TR4)	
	I am quite certain about the purchase & payment method available on Instagram (TR5)	
	I am quite certain what to expect from the purchase & payment method available on Instagram (TR6)	
Perceived Usefulness (PU)	Using the purchase & payment service available on Instagram makes save my time (PU1)	(Nguyen et al. 2016)
	Using the purchase & payment service available on Instagram improves my efficiency (PU2)	
	The purchase & payment service on Instagram is useful (PU3)	
Perceived Ease of Use (PEOU)	Learn to use the purchase & payment method available on Instagram is easy for me (PEOU1)	(Nguyen et al. 2016)
	It easy to make the purchase & payment service available on Instagram do what I want to do (PEOU2)	
	My interactions with the purchase & payment service available on Instagram is clear and understandable (PEOU3)	
	It is easy to use purchase & payment service available on Instagram (PEOU4)	
Purchase Intention (PI)	I would like to purchase the product on Instagram using purchase & payment service available on Instagram (PI1)	(Lu et al. 2016)
	I would consider to purchase the product on Instagram using purchase & payment service available on Instagram in the future (PI2)	
	I intend the purchase the product on Instagram using the purchase & payment service available on Instagram (PI3)	

4.2 Sample & Participants Profile

The sampling technique used in this study is purposive sampling. Participants in this study must meet the criteria: above 17 years old, residing in Indonesia, and had experience online shopping in the past 6 months via social commerce (e.g., Instagram) or e-commerce (e.g., Shopee, Tokopedia, etc.) or both. A total participant in this study is 138 participants, 76 participants who participate in the first group and 62 participants who participate in the second group. Table 2 shows participants' profiles in this study.

Table 2. Participants Profile

Demographics		Facebook Pay available on Instagram (N=76)		Facebook Pay unavailable on Instagram (N=62)	
		Frequency	Percentage	Frequency	Percentage
Gender	Male	47	61.80%	33	53.20%
	Female	29	38.20%	29	46.80%
Age	18-24	13	17.10%	8	12.90%
	25-34	34	44.70%	23	37.10%
	35-44	20	26.30%	11	17.70%
	45-54	8	10.50%	17	27.40%
	55 or older	1	1.30%	3	4.80%
Occupation	Housewife	3	3.90%	5	8.10%
	Private company staff	56	73.70%	33	53.20%
	Government staff	6	7.90%	7	11.30%
	Self-employed	5	6.60%	10	16.10%
	Student	5	6.60%	4	6.50%
	Retired	1	1.30%	3	3.30%
Online purchase frequency on e-commerce	> 3x in a month	25	33.00%	16	26.00%
	2 – 3x in a month	25	33.00%	21	34.00%
	Once in a month	15	20.00%	9	15.00%
	Indeterminate	11	14.00%	12	20.00%
Online purchase frequency on social commerce	> 3x in a month	3	4.00%	3	5.00%
	2 – 3x in a month	6	8.00%	4	6.00%

	Once in a month	24	32.00%	20	32.00%

Table 2. Participants Profile

Demographics		Facebook Pay available on Instagram (N=76)		Facebook Pay unavailable on Instagram (N=62)	
		Frequency	Percentage	Frequency	Percentage
Online purchase frequency on social commerce	Indeterminate	43	56.00%	32	52.00%
Facebook Pay awareness	Yes	64	84.00%	55	89.00%
	No	12	16.00%	7	11.00%

Table 2 shows that 61.80% or 47 participants are male, and 38.20% or 29 participants are female for the first group. While in the second group, 53.20% or 33 participants are male and 46.80% or 29 participants are female. It shows that male participants dominate both groups. Based on the age group, the data shows that participants in the 25 - 34 years old dominate in both groups, 44.70% or 34 participants for the first group and 37.10 % or 23 participants for the second group. It is followed by participants aged 35 - 44 years old, 26.30% or 20 participants for the first group. While for the second group, participants in the age group 45 - 54 years old become the second-largest who dominated, which is 27.40% or 17 participants. We may conclude that most participants in both groups are young adults and middle-aged adults.

In terms of online purchase frequency, the study is divided into two channels: e-commerce and social commerce. Based on the purchase frequency via e-commerce, the result shows for the participants were identified in the first group, respectively 33.00% or 25 participants purchase more than three times in a month and 2 -3 times in a month, 20.00% or 15 participants purchase once in a month, and 14% or 11 participants purchase indeterminate frequency. Meanwhile, the participants in the second group, 34.00% or 21 participants purchase 2 – 3 times in a month, 26.00% or 16 participants purchase more than three times in a month, 15.00% or 9 participants purchase once in a month, and 20.00% or 12 participants purchase indeterminate frequency.

Then, based on the purchase frequency via social commerce, the result shows that for participants who belong to the first group, 32.00% or 24 participants purchase once in a month, 56.00% or 43 participants purchase indeterminate frequency, 8.00% or 6 participants purchase 2 – 3 times in a month, and 4.00% or 3 participants purchase more than three times in a month. While for those who belong to the second group, there are 32.00% or 20 participants purchase once in a month, 52.00% or 32 participants purchase indeterminate frequency, 6.00% or 4 participants purchase 2 – 3 times in a month, and 5.00% or 3 participants purchase more than three times in a month. According to purchase frequency via e-commerce and social commerce, most participants shop more frequently via e-commerce than social commerce.

Based on participant awareness about Facebook Pay, the result shows that 84.00% or 64 participants are not aware of Facebook Pay for participants identified in the first group, and only 16.00% or 12 participants are aware of Facebook Pay. It is in line with the results in the second group: 89.00% or 55 participants are not aware of Facebook Pay, and only 11.00% or 7 participants are aware of Facebook Pay. It means that not many users are aware of the existence of Facebook Pay.

5. Result and Discussion

This research model uses the Partial Least Square (PLS) structure to test the research hypothesis. First, we test the validity and reliability of the research model. The PLS has a set of components to test the convergent validity and reliability: factor loading, composite reliability, average variance extracted (AVE), and Cronbach's alpha. Each component has a set of criteria that need to be fulfilled to identify as a valid and reliable model. The following is a set of criteria, that is: 1) each indicator loadings ≥ 0.7; 2) the composite reliability value > 0.7; 3) the average variance extracted (AVE) is >0.5; and 4) the Cronbach's Alpha > 0.6 (Hair et al. 2017).

The convergent validity and reliability test result (as shown in table 3) shows that all indicators that are used in the study meet the criteria. All indicators are higher than 0.7, which is acceptable (Hair et al. 2017). The AVE values are above 0.5. Hence it is considered valid, or it means the construct on this study, on average, could describe more than half of the variance indicator (Hair et al. 2017). The composite reliability values of each variable in this study are also higher than 0.7. According to Friedrich (2016), the composite reliability value varies between 0 and 1. The higher values mean, the higher level of reliability. Last, the Cronbach Alpha values are higher than 0.6. Therefore, all indicators in this study are reliable. Next, the discriminant validity test results in table 4 show that each item has a higher value than the correlation construct. Hence, all of the items are considered valid.

Table 3. Convergent Validity and Reliability Test Results

Factors	λ	AVE	Composite Reliability	Cronbach Alpha
PFR1	0.818	0.717	0.910	0.868
PFR2	0.826			
PFR3	0.896			
PFR4	0.844			
TR1	0.870	0.759	0.950	0.936
TR2	0.901			
TR3	0.857			
TR4	0.785			
TR5	0.913			
TR6	0.895			
PU1	0.950	0.910	0.968	0.951
PU2	0.960			
PU3	0.930			
PEOU1	0.904	0.820	0.948	0.927
PEOU2	0.901			
PEOU3	0.904			
PEOU4	0.914			
PI1	0.920	0.830	0.936	0.897
PI2	0.869			
PI3	0.942			

Table 4. Discriminant Validity Results

	PEOU	PFR	PI	PU	TR
PEOU	0.906				
PFR	0.674	0.846			
PI	0.714	0.713	0.911		
PU	0.744	0.616	0.777	0.954	
TR	0.719	0.822	0.746	0.677	0.871

Researchers use 95% as the significance level, and the critical T-value is 1.96, which is commonly used for hypothesis testing (Ruxton & Neuhauser 2010). The result of the calculations are shown in table 5 and table 6, which the hypothesis and the sub-hypothesis will be categorized supported if the p-values are 0.05 or below. While the hypothesis and sub-hypothesis will be categorized rejected if the p-values are higher than 0.

Table 5. Hypothesis Testing Results

Path	Path Coefficient	t-stat	P-value	Result
PFR – PI	-0.090	2.016	0.045	Supported
TR – PI	0.542	6.879	0.000	Supported
PU – PI	0.346	5.124	0.000	Supported
PEOU – PI	-0.038	0.750	0.453	Not Supported

Table 6. Sub-hypothesis Testing Result

Path	Group 1		Group 2		Differences	
	Path Coefficient	P-value	Path Coefficient	P-value	Path Coefficient	P-value
PFR – PI	0.220	0.012	0.205	0.228	0.015	0.935
TR – PI	0.223	0.060	0.203	0.294	0.020	0.926
PU – PI	0.476	0.000	0.344	0.011	0.132	0.459
PEOU – PI	0.047	0.732	0.188	0.172	-0.141	0.473

Perceived financial risk has a significant impact on purchase intention, but it shows a positive direction. Hence, H1 is not supported (see Table 5). The findings are different from prior studies that consumers perceived financial risk could be a barrier to purchasing online (Masoud 2013; Ariff et al. 2014; Bhatti et al. 2018). It is probably caused by different situational and condition factors. This study was carried out on the pandemic where everyone needs to change their habits, especially shopping habits. Most consumers shift their main shopping channels online, such as e-commerce and s-commerce. The study from Friedrich (2016) shows that specific and occasional factors could affect consumers' perception of risk. In the study context, pandemic situations are considered the specific and occasional factor. Instagram is the top 3 most- used social media platforms in Indonesia, with 86,6% of users (Kemp 2020). Moreover, this compelling situation gives consumers fewer choices other than online channels becoming the main shopping channel. With the limited choice that consumers have, there is a possibility they could accept the risk (Taylor 1974).

Furthermore, the perceived financial risk does not have a significant impact on purchase intention for both groups. It shows that H1a and H1b are not supported (see Table 6). Even so, the strong relationship value between perceived financial risk and purchase intention for the first group is greater than the second group. However, there are no negative differences between those groups, which means H1c is also not supported (see Table 6). The familiarity issue might be the reason why this happens. The participants may not be familiar with Facebook Pay even though Facebook Inc has become the most popular social networking site worldwide (Lo & Tong 2018). This fact is supported by the data that shows that 84% from group 1 and 89% from group 2 are not aware of Facebook Pay. According to Gefen (2000), familiarity is another way people subjectively reduce uncertainty and simplify relationships. Therefore, due to a lack of awareness of Facebook Pay, the uncertainty of financial risk is still there.

Trust has a significant positive impact on purchase intention. It indicates that H2 is supported (see Table 5). The finding reinforces the prior studies that consumer trust in a particular system or brand could affect their intention to purchase online commerce (Wang 2003; Li et al. 2007). However, when the researchers tested the impact of trust on purchase intention in each group, it showed that trust does not affect purchase intention for both groups. It means H2a and H2b are not supported (see Table 6). Moreover, although the effect value of trust on purchase intention in group 1 is greater than group 2, it shows there is no significant difference between the two groups. It means H2c is also not supported (see Table 6). Several participants in this study doubt Facebook's ability to secure users' information as there is an experience of hacking and leaking information. There is a trust issue on Facebook's credibility to launch this feature with high security on users' information. It aligns with the theory that trust is strongly associated with brand credibility (Agyei et al. 2020); in this study context is Facebook's credibility.

Perceived usefulness has a significant positive impact on purchase intention, which means H3 is supported (see Table 5). The result supports the previous studies that discuss the perceived usefulness of a particular system that could enhance behavioral intention in the online context (Davis 1989; Cabanillas et al. 2014). The result also shows perceived usefulness has a significant positive impact on purchase intention in group 1 and group 2, which means H3a and H3b is supported (see Table 6). However, there are no significant differences between both groups, or H3c is not supported (see Table 6), even though the value effect of perceived usefulness on purchase intention for group 1 is greater than for group 2. It indicates that participants' perception of the usefulness of Facebook Pay on Instagram is positive, with Facebook Pay will make it easier for them to shop on Instagram. It might be a significant difference when Facebook Pay gets more attention from the consumers, and they start to use it. After that, they usually will review the usefulness of Facebook Pay as a payment system. Facebook should consider maintaining the online review because consumers' opinions could probably boost consumers' intention to shop via Instagram (Ventre & Diana 2020). The findings strengthen previous studies that perceived usefulness becomes a strong predictor of behavioral intention (Shih 2004; Cheng & Teng 2013; Cabanillas et al. 2014).

Lastly, perceived ease of use does not have a positively significant impact on purchase intention, which means H4 is not supported (see Table 5). According to the study from Theocharidis et al. (2020), perceived ease of use does not have a significant and positive impact on behavioral intention. The finding contradicts the prior studies that perceived ease of use of a particular system affects consumers' behavioral intention in the online context (Sin et al. 2012; Nguyen et al. 2016). It might happen because consumers are shifting behavior, especially in technology adoption. Currently, most consumers are already using a digital platform in their daily lives. It makes ease of use a hygiene factor in online commerce. A user-friendly platform that is easy to use and navigate and requires less effort does not play an important role in driving consumers' purchase intention, but it is a hygiene factor (Theocharidis et al. 2020).

A hygiene factor means if we provide the factor, it will not lead to satisfaction, but if it is not available, it will lead to consumer dissatisfaction. Thus, it is also known as a dissatisfier (Mueller & Mack 2003). It could alert marketers and product owners who play in the digital industry that a user-friendly platform is no longer a key driving factor to drive consumers' intention to purchase. The insight also explains why perceived ease of use does not have a significant positive impact on purchase intention for group 1 and group 2. It means H4a and H4b are not supported (see Table 6). Moreover, there are no significant differences between both groups, which means H4c is also not supported (see Table 6). Hereinafter the effect value of perceived ease of use to purchase intention for group 1 is lower than group 2. This happens due to familiarity issues as 84% of group 1 and 89% of group 2 are not aware of Facebook Pay as it is still new, which was recently launched in Indonesia in 2020. The familiarity could affect consumers' perception of ease of use (Priyono 2017).

6. Conclusion

The findings of our study imply that trust and perceived usefulness have a positively significant direct impact on purchase intention. While perceived financial risk and ease of use do not negatively and positively have a significant direct impact on purchase intention. The current study concludes there is no significant difference for group 1 and group 2 when we discuss perceived financial risk, trust, perceived usefulness, perceived ease of use, and purchase intention. According to the findings, consumers need more time to adopt Facebook Pay as a new payment method when shopping on Instagram. It also needs more time to drive consumers' intention to purchase on Instagram. As a recommendation for practitioners, Instagram & Facebook need to communicate about Facebook Pay & convince users that it is credible & safe to use for daily transactions. It makes users not worry when they shop & do a transaction on Instagram by using Facebook Pay.

The current study also has theoretical contributions. The study's findings could complement the previous studies in the context of social commerce in which credibility and familiarity could be considered a variable when researching the effect of consumers' trust on purchase intention. Further, a specific and occasional factor could affect consumers' perception of risk and purchase intention. Since the prior studies rarely address these three variables in the social commerce context.

However, the current study has some limitations. First, the research used convenience sampling in which we distributed the questionnaire to our colleagues and relatives. Hence, most of the perception comes from white- collar workers (e.g., government and private employees). Second, the researchers use a common user experience to develop

the stimulus due to a lack of UI & UX design skills. The following are some suggestions for future studies. First, the researchers recommend using a specific sample (e.g., students, white-collar workers, a businessman in Jabodetabek) to have a better result in future research. Second, the future study could consider using credibility and familiarity as variables when researching the effect of consumers' trust on purchase intention while using new features. Lastly, a specific and occasional factor could affect consumers' perception of the risk and purchase intention as the prior studies rarely address these three variables in the social commerce context.

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