

Buying Intentions for Second-Hand Branded Bags via Facebook Live-Streaming: E-Servicescape, Consumers' Trust

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Abstract: The rise of internet penetration has led to increased e-commerce in Indonesia, especially live-streaming shopping. The purpose of this study is to examine the effect of the e-servicescape on trust and its impact on purchasing intentions for second-hand branded bags using Facebook live-streaming. The population of this study consists of an unknown number of people who purchased products through Facebook live-streaming. Purposive sampling was used in this study to select samples based on the research criteria. The sample should be a person born between 1980 and 2000 who has made at least one transaction through live-streaming on Facebook. This study included 100 participants who satisfied the study's requirements as samples. Also, this study collected data using a questionnaire distributed through social media. The results of this research reveal that the e-servicescape influences customer trust. In the same way, millennials' intentions to buy second-hand branded bags through Facebook live-streaming are affected by how much they trust the seller.

1 INTRODUCTION


An increase in people who have access to the internet has led to a rise in people doing business online. According to the Bank of Indonesia (2021), the revenue generated through internet transactions had a 78% growth in 2021 compared to the previous year. According to DataIndonesia. Id (2020), products related to fashion and handbags are the most popular products purchased online. Together, these products account for 67.2% of all online transactions conducted in Indonesia. This phenomenon is evidence of a high level of customers' desire to purchase products via the internet. According to Keller and Kotler (2015), the term "buying intention" refers to the desire of a potential purchaser to purchase a good or service.

Because there are risks involved in doing business over the internet, trust is a crucial factor influencing whether or not a consumer plans to buy a product online (Pavlou, 2003). According to Kemenkominfo of Indonesia (2021), 35% of all online transactions in Indonesia are fraudulent. Financial fraud accounts for 26% of the cases, while non-financial fraud accounts for 74%. If online transaction fraud occurs often,

people may lose trust in doing financial transactions over the internet. A lack of trust could make it hard to do business online (Wang et al., 2009).

According to the prior study, e-servicescape is one factor that influences customer trust (Oebit and Sari, 2018). Furthermore, in an online transaction, e-servicescape defines as an online environment during service delivery that affects customers purchasing intentions (Harris & Goode, 2010). A study conducted on web-based online buyers by Tankovic & Benhows (2018), shows the impact of servicescape on how customers view the value offered by vendors. Additionally, according to Tankovic & Benazic (2018), the functionality and aesthetics of the e-servicescape significantly affect the perceptions of consumers who do business online. Moreover, the study by (Line and Hanks, 2020) also found the effect of e-servicescape on consumers' consumption behaviour in the fast-casual restaurant industry.

The goal of this research is to use Facebook live-streaming to examine the effect of the e-servicescape on trust and its impact on the purchase intention of second-hand and branded bags among millennials. The findings of this research may provide online sellers with insight into how to establish a positive environment via e-servicescape that encourages

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millennials' trust, which is critical for online transactions.

2 LITERATURE REVIEW

2.1 E-Servicescape

Servicescape is a marketing concept that impacts the visitor's impression of the physical environment in which a service is provided (Bitner, 1992). As online transaction volume rises, e-servicescape is increasing in popularity (Koering, 2003). E-servicescape is a term used to explain the virtual environment during delivery service that affects consumers' impressions (Zeithaml, 2002; Harris and Goode (2010); Lee and Lee and Jeong, 2012). A study by Tankovic and Benazic (2018), who ran a web-based survey of online shoppers, found that consumers' impression of e-servicescape positively influences perceived e-shopping value and loyalty.

Numerous studies of e-servicescape led us to learn that each researcher employs unique indicators to characterize e-servicescape. For example, Tankovic and Benazic (2018) describe four indicators in measuring e-servicescape, including layout and functionality and financial security, to explain e-servicescape. In their research, Harris and Goode (2010) describe the indicators of e-servicescape as visual appeal, layout, functionality, and financial stability of the online environment. Furthermore, Lee and Jeong (2012) employed atmosphere, design, and social components as indicators to define the e-servicescape. In this research, indicators used to measure e-servicescape are atmosphere, design, and social components developed by Lee & Jeong (2012).

2.2 Trust

Trust is a crucial factor in online transactions. Conversely, a lack of trust may influence a person's willingness to buy a product online (Wang et al., 2009). Trust defines constancy, honesty, fairness, accountability, helpfulness, and altruism. (Morgan and Hunt, 1994). According to (Gustianto et al., 2022), trust explains consumers' understanding and conclusions about products, qualities, and benefits.

According to Sing and Sirdeshmukh (2000), trust has two distinct components: credibility and benevolence. Credibility relates to the idea that the other party can carry out their responsibilities, while benevolence refers to the other party's sincerity in keeping out the terms of the agreement. When one partner trusts the reliability, stability, and honesty of

the other and when that person's activities are in the best interests of the other, the relationship is one of trust. According to Sing and Sirdeshmukh (2000), trust consists of credibility and benevolence. Credibility is the belief that the other party can fulfil their responsibilities, while benevolence refers to the other party's sincerity in keeping the terms of the agreement. When one partner believes the other to be dependable, stable, and honest or when that person's decision benefits the other, the connection is one of trust, according to Lewicki and Wiethoff (2000). Trust is an individual's belief in and willingness to act based on the words, actions, and decisions of another. In their research, Lewicki and Wiethoff (2000) used three indicators of trust, including personality, norms, and experiences.

Based on the previous discussions, this study defines trust as the expectation of consumers that service providers can be relied upon to fulfil their promises. This research uses the buyer's belief in the information (Lewicki and Wiethoff, 2000) and the seller's credibility and benevolence (Sing and Sirdeshmukh, 2000.) as trust indicators.

2.3 Purchasing Intention

Keller and Kotler, (2015) define purchasing intention as customer behaviour demonstrating the buyer's desire to buy a product or service. It is a type of consumer behaviour that develops before purchasing decisions (Kotler and Armstrong, 2016). For example, the intention to buy a product develops based on customers' Evaluation of a product (Angelita et al., 2021). From a different perspective, Wulandari & Wijaksana (2021) noted that purchasing interest starts with a feeling of pleasure toward the products or services, followed by the belief that the products or services provide benefits, which motivates customers to want to pay for these things.

Moreover, Nulufi and Murwartiningsih (2018) stated that purchasing intention arises when customers have a favourable view of a product because they perceive it to be valuable. Roozy et al. (2014) define consumer purchasing intention as a consumer's positive perception of a product and their desire and willingness to recommend it to others. Many factors influence consumer purchasing intention, such as product features, brand name, social influence and cost to buy a product (Rahim et al., 2016). As each customer has different tastes and preferences, the factors that impact consumer purchasing intentions also differ.

There are multiple indicators used to describe purchasing intention. (Kotler and Armstrong (2016)

developed three purchasing intention indicators: seeking further product information, the intent to purchase, and the intent to repurchase. Abzari et al. (2014) employ three indicators to describe purchasing interest: transactional interest, referential interest, preferential interest, and exploratory interest. Finally, Roozy et al. (2014) use two indicators to describe purchasing intention: the consumer's positive perception of the product and the desire to acquire it and the possibility of recommending it to others.

Based on the discussion above, in this research, purchasing intention describes consumer behaviour that emerges following product evaluation and eventually results in a desire to purchase the product. Indicators of buying intent include eagerness to learn more about the product, seeking further information, the desire to purchase the product, and the possibility of recommending it to others.

2.4 Hypothesis

The effect of service escape on trust

A prior study by Kurniawati and Yaakop (2020) showed that e-servicescape positively and significantly affects customers' trust to buy products through Tokopedia. Similarly, Oebit and Sari (2018) found that the e-servicescape influences trust to use the GO-FOOD delivery service. Lastly, a study by Aprianti and Rachmawati (2020) revealed that e-servicescape influences customers' trust to buy products through Grab Food Delivery Service.

Based on the prior research discussed above, this study proposes the following hypothesis:

H1: E-servicescape affects millennials' purchasing intentions to buy second-hand branded bags through live-streaming on Facebook among millennials.

The effect of trust on purchasing intention

The study of Ling et al. (2010) on online transactions among undergraduate information technology students in Malaysia explains that online trust positively affects purchase intentions when other variables are considered. Furthermore, Ha et al. (2019) study reveals that trust impacts online shopping intention among online buyers in Vietnamese. Furthermore, Li et al. (2007) also found the effect of trust on purchasing intention among internet shoppers in China.

Based on the prior research discussed above, this study proposes the following hypothesis:

H1: Trust affects millennials' intentions to buy second-hand branded bag products through live-streaming on Facebook.

3 METHODS

This study aims to examine the effect of e-servicescape on trust and its impact on millennials' purchasing intentions for second-hand branded bags. The population of this study consists of an unknown number of millennials who have ever made a transaction using Facebook live-streaming. This study employs purposive sampling to select samples based on the criteria used in this study. The sample should be a person born between 1980 and 2000 who has made at least one transaction through live-streaming on Facebook. Using the formula of Lemeshow, the number of samples used in this research is 100, higher than 96, the minimum number according to Lemeshow. All the samples were millennials and fulfilled the criteria applied in this research. The data collection technique used is a questionnaire distributed through social media. The Likert scale, which assigns each answer a value between 1 and 5 (five), is used to evaluate the opinions of respondents.

4 RESULTS AND DISCUSSION

4.1 The Respondent Profile

A hundred millennials have participated in this research. Based on this research, most respondents are male (70%), followed by females (30%). Furthermore, based on their education, most of them hold a diploma certificate (46%), followed by high school graduates (45%), and university graduates (9%), with a certificate diploma (23.8%). (See table 1.)

Based on their profile, all the respondents are millennials who are eligible to be a primary data source, which is collected using a questionnaire (See table 1.)

4.2 The Evaluation of the Measurement Model

The validity and reliability tests are employed to assess the measurement model in this research. As all of the indicators in this research are reflective indicators, convergent validity and discriminant validity are used to evaluate the validity. At the same time, Cronbach's alpha and composite reliability are employed to assess the reliability.

Table 1: Respondents' Profile.

Indicators	Number	Percentage
Gender		
- Male	70	70%
- Female	30	30%
Pendidikan		
- High School	45	45%
- Diploma	46	46%
- Bachelor of higher	9	9%
Professions		
- Student	9	9%
- Entrepreneur	11	11%
- Employee	65	65%
- Housewives	15	15%

Source: Processed Data (2022)

The convergent validity is examined by testing the loading factor and the extracted average variance (AVE). If the loading factor is greater than 0.70 and the average variance extracted (AVE) is higher than 0.50, then the convergent validity test is considered to have been successfully satisfied. (Ghozali and Laten, 2015). This study finds that all the value of loading factors is greater than 0.70 (See figure 1), and all the AVE value is greater than 0.5. (See table 2). This result indicates that this research has fulfilled the convergent validity requirement.

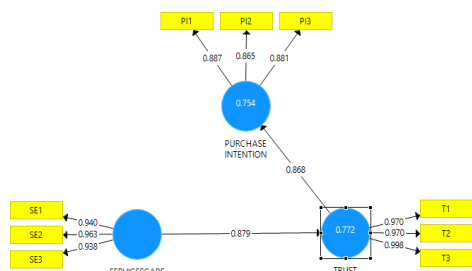


Figure 1. Path Analysis Model.

Table 2: The Value of AVE.

	AVE
PI	0,770
SE	0,897
T	0,959

Source: Processed Data (2022).

The validity test continued by using the value of cross-loading, the square root of AVE, and the Fornell-Larcker criterion as parameters for a discriminant validity test (Chin, 2010). Ghozali and Laten (2015) state that to fulfil the discriminant validity requirements, the value of each item on the construct is higher than cross-loading, and the square root of the AVE of each construct is greater than the correlation of the latent construct (Fornell-Larcker criteria).

Table 3. Cross Loading.

	PI	SE	T
P11	0,887	0,745	0,737
P12	0,865	0,685	0,710
P13	0,881	0,751	0,829
SE1	0,728	0,940	0,793
SE2	0,795	0,963	0,835
SE3	0,831	0,938	0,856
T1	0,823	0,848	0,970
T2	0,848	0,858	0,970
T3	0,879	0,875	0,998

Source: Processed Data (2022).

Table 3 shows that the loading value of each item on the construct is greater than the value of cross-loading.

Additionally, the square root of AVE for each construct exceeds the correlation between latent constructs (See table 4), meaning that discriminant validity in this research has been fulfilled. As the convergent and discriminant validity has been fulfilled, it suggests that the measuring model employed in this study is valid.

Evaluating the measurement model continued to test the reliability of the measurement instrument by using Cronbach's alpha and composite reliability. However, according to Ghozali and Laten (2015), the minimal value of Cronbach's alpha and composite reliability to fulfil reliability requirements is greater than 0.70.

Table 4: The Fornell Larcker Criterion.

	PI	SE	T
P	0,878		
I			
S	0,830	0,947	
E			
T	0,868	0,879	0,945

Source: Processed Data (2022).

Table 5: Cronbach's Alpha and Composite Reliability.

	Cronbach's Alpha	Composite Reliability
PI	0,851	0,910
SE	0,943	0,963
T	0,979	0,986

Source: Processed Data (2022).

Based on table 5, the measurement model used in this study is reliable because each construct has a Cronbach's alpha value, and the composite reliability value is greater than 0.70.

4.3 The Evaluation of the Structural Model

An inner model is a structural model that predicts causal relationships between variables or factors that cannot be measured directly. Structural model evaluations were performed to examine the relationship between latent constructs. The parameters used to evaluate the structural models are R² and the path coefficient.

Based on the results, the R² found in this study are as follows:

Table 6: R² and R² Adjusted.

	R ²	R ² Adjusted
PI	0,754	0,751
T	0,772	0,769

Source: Processed Data (2022).

R² represents the coefficient of determination for the endogenous construct. Based on the strength of the relationship, R² may vary from 0.67 (very strong) to 0.33 (moderate) to 0.19 (weak), as stated by Chin (2010). According to this research, the R² value of e-servicescape on trust is 0.772, and the R² value of trust on purchase intent is 0.754. (See table. 7.) Both R square values are higher than 0.600, indicating a strong connection between e-servicescape and trust and between trust and purchase intentions.

Based on the results, the path coefficient between e-servicescape (SE) and purchasing intention (PI) is 0.879 with p-values of 0.0000 < 0.05 (See table 7.), meaning there is a significant relationship between e-servicescape and purchasing intention. Also, the path coefficient of correlation between trust (T) and purchasing intention (PI) is 0,868 with a p-value of

0.0000 < 0.05 (See table 6.), meaning there is a significant relationship between Trust and purchasing intention.

Table 7: Path Coefficient.

	Original Sample O)	T - Statistics	P- Values
SE -> T	0,879	24,234	0,000
T -> PI	0,868	223,881	0,000

Hypothesis Testing

The results of this study support the first hypothesis as e-servicescape (SE) affects trust (T) in buying second-hand and branded bags through Facebook Live-streaming. Likewise, this study supports the second hypothesis as trust significantly influences purchase intention (PI) buying second-hand branded bags through Facebook live-streaming

Discussions

This research reveals the effect of e-servicescape (SE) on millennials' trust (T) to buy second-hand branded bags through Facebook live-streaming. These findings are consistent with those of previous studies by Oebit and Sari (2018), Kurniawati and Yaakop (2020), and Aprianti and Rachmawati (2020), which indicate that consumers feel confident about purchasing products online when the virtual environment can create consumers positive impression. It means that e-servicescape is essential in increasing consumer confidence to buy second-hand branded bags online. Also, the results of this research found that there is an impact of trust on purchasing intentions. The findings of this study support the previous studies that found the effect of trust on customers purchasing intentions (Ling et al., 2010; Ha et al., 2019); (Li, 2007)

According to this study, e-servicescape is a virtual environment that increases millennials' trust in purchasing second-hand branded bags through Facebook live Streamstreamingdition, and a consumer-positivity view arose because millennials were impressed by the virtual atmosphere created by the seller during the live Streamstreamingimpression makes consumers perceive that the vendor promotes valued and high-quality products (GUSTIANTO et al., 2022)

Trust is crucial as buyers and sellers face a high risk when transacting online (Pavlou, 2003). In Indonesia, the high rate of fraud, reaching 35% of total transactions, explains that online transactions are

fraudulent. The frequency with which online transaction fraud occurs may affect people's trust in conducting financial transactions over the internet. A lack of trust may negatively impact online transactions. A lack of trust could make it hard to do business online (Wang et al., 2009)

5 CONCLUSION

According to the results of this study, e-servicescape is a significant determinant of increasing consumers' trust among millennials in buying online. Likewise, this study also found the effect of trust on millennials purchasing intentions. Therefore, based on this study, online sellers need to build millennials' trust to increase consumer intention to buy second-hand branded bags through live-streaming. In this research, creating an e-servicescape may provide a solution to increase millennial's trust that impacts their intention to buy second-hand branded bags through Facebook live-streaming

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