

CHAPTER 1

INTRODUCTION

A. Research Background

Recently, the Indonesian marketplace has been overgrown. The use of the term Web 4.0 is becoming more and more common even today. Web 4.0 is also a symbiotic network where human minds and machines can interact in symbiosis (Aghaei, Nematbakhsh, and Farsani 2012). This study focuses on Indonesia, a developing country in Southeast Asia. Indonesia is expected to become the region's most prominent digital economy market. In 2021, all sectors experienced double-digit growth, led by e-commerce, and it is expected to continue overgrowing, reaching \$10 billion by 2025 (Riset and Indonesia 2016).

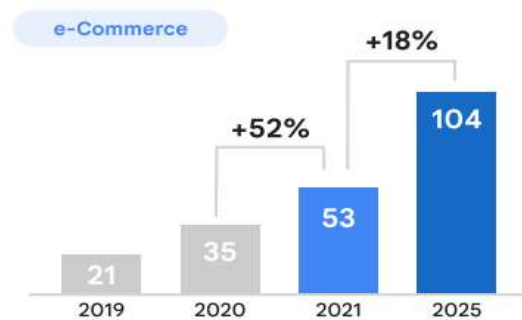


Figure 1 e-Commerce growth from 2019-2025 (Google et Al., 2020b)

Customers are more likely to purchase from more than one social networking site and less likely to make additional purchases from a social commerce site they have previously purchased. In Indonesia, much social

commerce was operating both locally and foreign. Several online marketplaces were launched a few years later, such as Tokopedia, Shopee, Lazada, Bukalapak, Orami, Blibli, and Ralali. The mentioned s-commerce is the most monthly website visitor in Indonesia. According to the data from (iPrice,2021), which compares seven website visitors to e-commerce in Indonesia in the last three years, Tokopedia has had the highest number of website visitors in the last three years.

Table 1. Comparison of e-commerce website visitors

E-commerce	2022	2021	2020
Tokopedia	144,9 milion	157,44 milion	129,3 milion
Shopee	121,9 milion	138,78 milion	114,6 milion
Lazada	22,4 milion	28,17 milion	36,2 million
Bukalapak	21,1 milion	25,76 milion	38,5 milion
Orami	19,3 milion	16,68 milion	6,18 milion
Blibli	15,5 milion	15,69 milion	22,4 milion
Ralali	5,8 milion	5,92 milion	4,3 milion

Source (Putri, 2021)

Due to the focus on social commerce websites in this study, some variables are interconnected. Reputation is one way to solve problems with experiential products and services. The reputation of social commerce companies' social commerce sites can be used to determine their reputation. Previous study from ("The Relationship between Reputation, Customer Satisfaction, Trust, and Loyalty" 2014) laims a positive relationship between reputation and trust. These studies also claim that reputation positively and significantly influences customer satisfaction ("The Relationship between Reputation, Customer Satisfaction, Trust, and Loyalty," 2014).

The behavior of websites reveals important characteristics like information quality. Customers mainly trust the information provided by e-commerce sites because of limited information about products and services. A

previous study investigates the effects of B2B information quality, and the result is that information quality significantly affects trust (Fadhillah et al., 2021). Previous studies have defined that information quality positively affects satisfaction (Al-Okaily et al., 2021). Some researchers examine the two variables, but the number of ratings and reviews does not support them.

Previous researchers have used these variables. Previous research on the rating and review variables (Hajli, 2015) claims that rating and reviews are the main element in social commerce to build that trust. The study results show that social business constructs are measured and validated through forums and communities, ratings and reviews, and referrals and referrals. Other studies from (Riset and Indonesia (2016) claimed that rating and review positively affect trust and purchase intention. These results support the perception that s-commerce users are more likely to trust s-commerce if it provides appropriate online environments that are ratings and reviews.

Therefore, in this research, the researchers will investigate the impact of s-commerce toward trust performance in Tokopedia. This is a replication study and a modification of the previous research because previous researchers (Meilatinova, 2021) there is no rating and review variable and only highlighted reputation and information quality to measure trust performance. Based on other research, rating and review are variables that are very important to trust performance, in the study (Hajli, 2015) claimed that rating and review were significant. Therefore, the researcher added the rating and review variables to this research.

I want to know the implementation of this variable in Tokopedia because Tokopedia is the largest e-commerce in Indonesia, with the highest

number of website visitors in the last three years. I want to know the implementation of this variable in Tokopedia, because Tokopedia is the largest e-commerce in Indonesia with the highest number of website visitors in last three years.

B. Research Question

Based on the above background, the research question is formulated as follows:

1. Does a social commerce site's reputation positively affect customers' trust?
2. Does information quality in social commerce positively affect customers' trust?
3. Does Rating and Review in Social Commerce positively affect customer trust?
4. Does a social commerce site's reputation positively affect customer satisfaction?
5. Does information quality in Social Commerce have a positive effect on customer satisfaction?
6. Does rating and review in Social Commerce positively affect customer satisfaction?
7. Does the trust have a positive effect on customer satisfaction?
8. Does the trust have a positive effect on customer repurchase intention?
9. Does the trust have a positive effect on customer WOM intention?
10. Does satisfaction have a positive effect on customer repurchase intention?
11. Does satisfaction have a positive effect on customers' WOM intention?

C. Research Objective

Based on the formulation of the problems outlined above, there is various purpose, such as:

1. Understanding the effect of reputation on trust on online shopping site Tokopedia
2. Understanding the effect of information quality on trust on online shopping site Tokopedia
3. Understanding the effect of rating and review on trust on online shopping site Tokopedia
4. Understanding the effect of reputation on satisfaction on online shopping site Tokopedia
5. Understanding the effect of information quality on satisfaction on online shopping site Tokopedia
6. Understanding the effect of Rating and Review on Satisfaction on online shopping site Tokopedia
7. Understanding the effect of trust on satisfaction on online shopping site Tokopedia
8. Understanding the effect of trust on Repurchase Intention on online shopping site Tokopedia
9. Understanding the effect of trust on WOM Intention on online shopping site Tokopedia
10. Understanding the effect of satisfaction on Repurchase Intention on online shopping site Tokopedia
11. Understanding the effect of satisfaction on WOM Intention on online shopping site Tokopedia

D. Research Benefits

The result of research on the impact S-commerce toward Trust Performance in e-commerce expected that customers could build trust when buying an online product based on s-commerce. Based on the knowledge gained in other journals related to the measurement of trust performance in s-commerce (Meilatinova, 2021) Influence trust performance, there are variables consisting of rating and review, which are significant according to (Hajli, 2015).