

**THE IMPACT OF INTERACTION QUALITY OF
USER-GENERATED CONTENT
ON CONSUMERS' PURCHASE INTENTION****Katria Arintya Anindyantari¹, Sri Rahayu Hijrah Hati²**¹Universitas Indonesia, katria.arintya@ui.ac.id²Universitas Indonesia, sri.rahayu72@ui.ac.id

ABSTRACT

Online social interaction has been around for a long time but has accelerated recently due to the aggressiveness of technology and digital penetration. Looking at the current conditions, it is undeniable that digitalization is one of the factors. For a company to grow, marketers must have a good interaction digitally with consumers. Online social interaction changes rapidly and constantly include user-generated content and peer-to-peer exchanges. Per social cognitive theory, it can be concluded that user-generated content's interaction quality will affect consumers' purchase intentions. This study examined the effects of interaction quality of user-generated content on online shopping intention. Following the theoretical basis of the Technology Acceptance Model (TAM) combined with the Extended Technology Acceptance Model (ETAM), the researcher used the original construct of perceived usefulness, two constructs related to perceived trust and perceived credibility, to understand better the effect of promotional content and its impact on purchase intention 250 respondents participated in this research, data was gathered from a survey administered to online shopping consumers and a partial least square analysis was used to test the research model. This study's findings help marketers evaluate performance based on consumer behavior towards user-generated content.

Keywords: *User Generated Content, Usefulness, Credibility, Trust, Online Purchase Intention*

1. Introduction

Online social interaction has been available for a long time ago. However, it has been growing exponentially over the last few years because of aggressive digital penetration tactics and technological advances reaching even the more remote areas. One of the more significant factors of this aggressive digital penetration is the Covid-19 pandemic. Covid-19 has many impacts. Among them is creating a change in the how and the purchase intention of the people (UNCTAD, 2020). Consumers have switched to digital platforms and online shopping solutions to fulfill their needs. For example, in Indonesia, ever since the Covid-19 pandemic became a global pandemic, the people of Indonesia adapted by staying at home, maintaining physical distancing, using masks, and washing their hands frequently. To limit social interactions, staying at home impacts Indonesian consumers' shopping behavior. Consumers who usually shop in-store started switching to e-commerce platforms to fulfill their needs. As many as 92% of consumers tried a new shopping behavior, while 58% used a digital shopping method (Potia & Praseco, 2020). This shopping trend progression started to be seen in March 2020. The high online purchase intention impacted product sales in a few different categories. According to CNN Indonesia, in the year 2021 Q3, the transaction trend done by Tokopedia, one of Indonesia's e-commerce, the Electronic category is the most searched product; household and Health needs are also of high interest during the Covid-19 pandemic.

The electronics category is one of the most sought-after in e-commerce because it offers the same benefits as direct purchases. Besides that, consumers can easily search for reviews on social media such as YouTube, Instagram, and other platforms. Here the researcher takes Samsung as the brand to study because Samsung's market share is the highest in Indonesia, at 21.6% in May 2022 (Stat Counter, 2022). Samsung is a company from South Korea and one of the largest conglomerate companies in Asia. Since its birth in 1938, Samsung has bought and sold goods from rice factories, shipbuilding, and petrochemicals until finally entering the mobile phone industry in 1990. One of the fastest growing mobile phones from Samsung is the S series; this series is well received in the market and continues to evolve until, in 2021, Samsung launches the S21. The researcher uses S21 as it has been on the market since early 2021, and the reviews on social media have been counted enough to minimize bias.

2. Literature Review

More and more companies recognize the vital importance of social media as a means of communication and a driver in creating new business opportunities. Social media allows consumers and companies to interact and exchange various information, including reviews, comments, evaluations, pictures, and videos. Consumers usually buy a product after reading a lot of user-generated content on a platform and are convinced by the content (Horst et al., 2007). In this case, the research is done on social media, Youtube. High-quality interactions on user-generated content increase consumers' perception regarding product reliability, and their impression of the product or service, increase trust, decrease transaction risk, and increase purchase intention (Wirtz and Lwin, 2009). Digitalization gives consumers access to good communication with other consumers wherever the consumers frequently interact. Thus, the higher the frequency of interactions, the more detailed and authentic the information is, and the higher possibility for consumers to generate trust, increasing consumers' purchase intention.



Picture 2.1. Samsung S21

User-generated content is created by the user and readily available for the public on the internet, reflecting the product user's creativity and is made outside of routine and professional practices (OECD, 2007). Content can be pictures, video, audio, commentary, feedback responses, etc. In a more aggressive digital world, content becomes an important strategy to attract potential customers and become more efficient because online users will easily share information with other users on social media. User-generated content (UGC) is content data in the form of pictures, feedback comments, video, audio, and so on. This content data is easily distributed and discussed between online users through social media, online forums, or other online platforms (Chung & Buhalis, 2008). Good content creation produces quality user-generated content interactions, and this process is not only interaction but also feedback between consumers, as well as the relationship between consumers and sellers. A positive perception of interaction shows users that they can update information quickly, in real-time, and actively control the acquisition of data on the platform (Animesh et al., 2011).

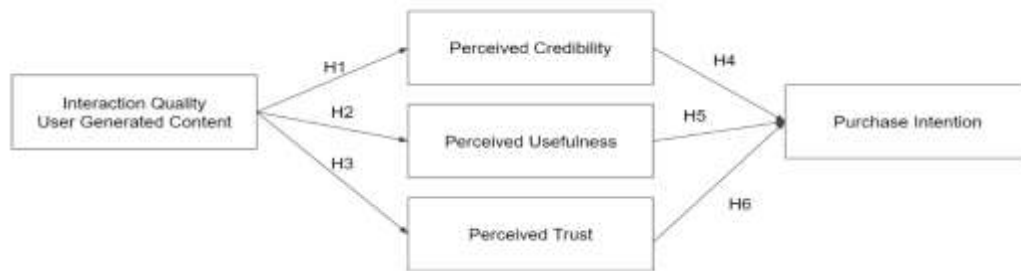
In the digital world, consumers can view product information and explore content generated from other or other platforms. They can directly interact with others to get more comprehensive information and form their useful product perception. Interactions between users are conducive to information gathering and transmission and help other members get key benefits or resource opportunities (Felix et al., 2017). Per social cognitive theory, it can be concluded that user-generated content's interaction quality will affect consumers' purchase intentions

through perceived benefits and perceived trust (Bandura, 1986). Acceptance of the system information can follow the theoretical basis of the Technology Acceptance Model (TAM), which Fred Davis first revealed in 1986; processing and using the information system begin with the perception of usefulness and perception of convenience (Davis, 1986). Combined with the Extended Technology Acceptance Model (ETAM) using the original construct of perceived usefulness, two constructs related to perceived trust and perceived credibility to understand better the effect of promotional content and its impact on purchase intention.

3. Research Method

Referring to the previous discussion, the researcher used a quantitative research method. This method is used because the researcher aims to examine the causal relationship that analyzes the relationship between the independent variable with the dependent variable. The approach from data collection, analysis, and interpretation to displaying research results in quantitative research requires numbers (Sekaran and Bougie, 2016).

The proposed research model is shown in Picture 3.1



Picture 3.1. Research Model

With the above explanation, the hypothesis to be used are as follows :

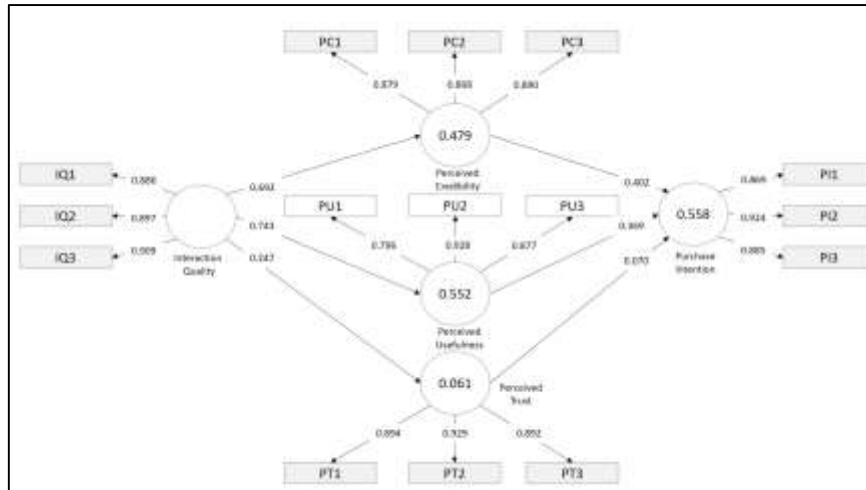
- H1: Interaction Quality affects Perceived Credibility
- H2: Interaction Quality affects Perceived Usefulness
- H3: Interaction Quality affects Perceived Trust
- H4: Perceived Credibility affects Purchase Intention
- H5: Perceived Usefulness affects Purchase Intention
- H6: Perceived Trust affects Purchase Intention

Researchers use non-probability sampling as a technique in attaining the samples by relying on the existence and ease of access. Malhotra (2010) states that non-probability sampling is not based on opportunity selection. On the contrary, the sample data becomes unequal, and it is the policy of the researcher to use the sample of elements. Then, the researcher used purposive sampling so that respondents with knowledge of the research object are expected to assess it better.

Members selected from a portion of the population are also samples (Sekaran & Bougie, 2016). Respondents in this research are males and females with a minimum age of 18 and minimum high school education. Respondents are expected to understand the questions and be capable of answering them correctly. Respondents are active social media users and routinely shopped online at least once a month in the last three months. Questionnaires were distributed through google form to 250 respondents. Questionnaires are a data collection method where respondents fill out a question, and the questionnaires are taken back by the researcher. Questionnaires use the Likert scale (one to five) as a data calculation technique.

4. Results and Discussion

In this study, the two testing models are done by SmartPLS, namely model measurement, most often called an outer model (outer 80.3% 95 models), and structural model, most often called an inner model. The full structural model is shown in the following figure:



Picture 4.1. Full Model Structural User

The indicator is valid if it shows a factor weight value greater than 0.50.

4.1 Outer Model

The measurement model (outer model) can use confirmatory factor analysis (CFA) to evaluate the model that links the latent variable with the manifest variable.

4.2 Convergent Validity

Convergent validity is carried out to test the accurate item level for measuring the research object. The following is the result of the loading factor score.

Table 4.1. Loading Factor

	User				
	Interaction Quality	Perceived Credibility	Perceived Trust	Perceived Usefulness	Purchased Intention
IQ1	0.879				
IQ2	0.906				
IQ3	0.901				
PC1		0.891			
PC2		0.877			
PC3		0.882			
PT1			0.918		
PT2			0.943		
PT3			0.912		
PU1				0.896	
PU2				0.955	
PU3				0.908	
PI1					0.870
PI2					0.934
PI3					0.918

This table displays all indicators on the latent variable showing >0.7.

4.3 Discriminant Validity

The test is to see that the different constructs should not have a high correlation. Discriminant validity test can be carried out through Cross Loading testing in the following table:

Table 4.2. Discriminant validity User (Fornell-Larcker Criterion)

	<i>Interaction Quality</i>	<i>Perceived Credibility</i>	<i>Perceived Trust</i>	<i>Perceived Usefulness</i>	<i>Purchased Intention</i>
<i>Interaction Quality</i>	0.897				
<i>Perceived Credibility</i>	0.692	0.879			
<i>Perceived Trust</i>	0.247	0.378	0.905		
<i>Perceived Usefulness</i>	0.743	0.738	0.295	0.869	
<i>Purchased Intention</i>	0.601	0.701	0.33	0.686	0.893

Based on the table above, it can be concluded that all the root values of each variable are higher than the correlation, so the model has good discriminant validity.

4.4 Reliability Test

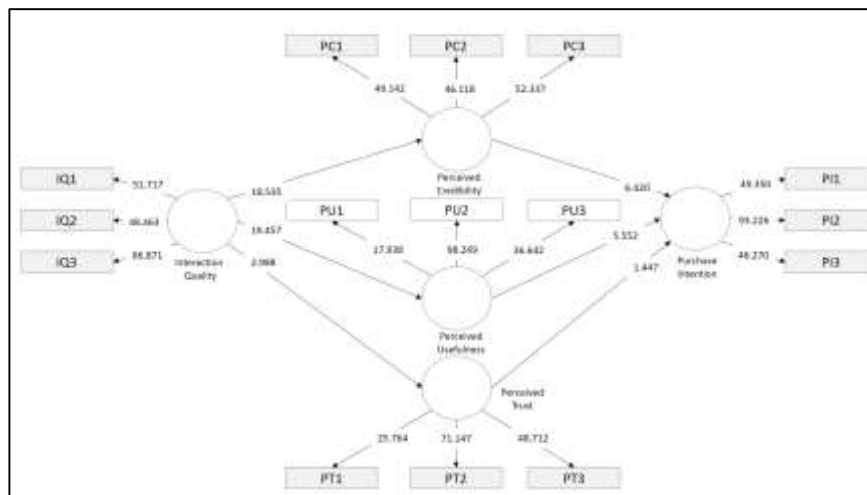
Questionnaire items have to fulfill the credibility criteria. The table below shows the reliability test results of each construct. It indicates that each indicator has consistency in measuring each of its variables.

Table 4.3. Reliability Test

	Composite Reliability	Cronbach's Alpha	Average Variance Extracted (AVE)
	User	User	User
<i>Interaction Quality</i>	0.924	0.877	0.802
<i>Perceived Credibility</i>	0.914	0.859	0.780
<i>Perceived Trust</i>	0.946	0.915	0.855
<i>Perceived Usefulness</i>	0.943	0.909	0.846
<i>Purchased Intention</i>	0.934	0.893	0.824

4.5 Inner Model

Assessment is done by looking at the Path Value to see if it has a significant impact or not. In this research bootstrapping is done with a subsample of 500 and a significance level of 0.05 (one tail). Based on the full structural model with a method of bootstrapping, is shown in the following figure.



Picture 4.2. Full Model Structural User (Bootstrapping)

In this research, these are the following conclusions:

H1: Interaction Quality has a positive and significant effect on Perceived Credibility.

Seeing the t-value of >1.96 with a=0.05 to see the effect of Interaction Quality on Perceived Credibility, then **H1**

is accepted.

H2: Interaction Quality has a positive and significant effect on Perceived Usefulness.

If the t-value is >1.96 with $\alpha=0.05$ to see the effect of Interaction Quality on Perceived Usefulness, **H2 is accepted..**

H3: Interaction Quality has a positive and significant effect on Perceived Trust.

Seeing the t-value of >1.96 with $\alpha=0.05$ to see the effect of Interaction Quality on Perceived Trust, then **H3 is accepted.**

H4: Perceived Credibility has a positive and significant effect on Purchase Intention.

Seeing the t-value of >1.96 with $\alpha=0.05$ to see the effect of Perceived Credibility towards Purchased Intention, then **H4 is accepted.**

H5: Perceived Usefulness has a positive and significant effect on Purchased Intention.

The t-value of >1.96 with $\alpha=0.05$ to see the effect of Perceived Usefulness towards Purchase Intention, then **H5 is accepted.**

H6: Perceived Trust has a positive and significant effect on Purchase Intention.

Seeing the t-value of <1.96 with $\alpha=0.05$, **H6 is rejected**, which means there is no significant effect of Perceived Trust on Purchase Intention in the user group.

5. Conclusion and Implications

Consumers usually buy a product after reading a lot of user-generated content on a platform and are convinced by the content (Horst et al., 2007). The researcher found that the quality of UGC interactions becomes a significant factor in a consumer's Purchase Intention. Credibility and usefulness correlate with the interaction quality in user purchase intention. However, trust has no significant impact on the user group's purchase intention. This can be due to consumers perceiving a lot of social media content, especially from user. Still, it is indistinguishable between original content and sponsored by the said product or brand content. Consumers have seen a lot of content made by the user. Sometimes, the user has the role of the endorser, so bias and doubts arise from the consumers that said user had reviewed so many products that the consumers do not perceive these reviews as natural. The recommendation from this research is for company owners to be able to increase consumer purchase intention, content can be maximized and optimized through various lenses; for example, review content can be made from various groups, but originality is a critical factor in generating trust. Companies can also see the market response more quickly and assess the purchasing power of the product. With interactions becoming more intuitive, information is enriched and more credible by the day, making it more reliable.

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