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Analysis of Consumption Behavior Using Social Commerce

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ABSTRACT

Introduction/Main Objectives: The focus of this research was to explore how students in management courses consume using the social media platform Instagram. Background **Problems:** The goal of this study was to find out how students in management classes use the social media site Instagram to buy things. **Novelty:** Analysis of consumption behavior using Instagram in Department of Management Universitas Al Washliyah. Research Methods: This study employs a qualitative phenomenological approach. Finding/Results: Management students have a logical approach to consumption. This is due to the fact that their consuming behavior includes the purchase of products and services. Before moving on to additional demands, students might prioritize their key needs. They consume products that are essential necessities such as primary, secondary, and tertiary demands. According to the findings of this study, management students use Instagram daily and for social purposes. Instagram Stories, Explore, and Likes are the most often used features. Students use Instagram Stories to follow the activities of their classmates and to share their everyday activities. **Conclusion:** Based on the results and discussion in the preceding section, it is possible to conclude that students majoring in economic development likely to consume products and services. Their social environment, namely their peers, influences their consumption habits. Students are also impacted by their age, life cycle development, lifestyle, personality, and self-concept. Student consumption control is beneficial

Keywords:

Social commerce, Instagram, Consumption Behavior

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1. Introduction

According to the Central Statistics Agency (BPS), Indonesia's economic development was 5.01 percent in the first quarter of 2017. According to the findings of this report, information and communication contribute 9.01 percent to Indonesia's economic development(World Bank Group, 2017). This expansion was made possible by the growing number of internet users and online transactions, which allowed the information and communication industry to expand as well. This data demonstrates that Indonesia is rapidly developing in terms of information and communication.

It has taken people 20 years from the internet's inception in Indonesia to gain free and affordable access to the internet for their virtual requirements. At the same time, the Indonesian population is growing, which means that the number of internet users is growing as well (Hanadian Nurhayati-Wolff, 2021). The graph depicts the amount of internet users in Indonesia from 2015 to 2022. In 2017, 104.96 million Indonesians used the internet. Indonesia is one of the world's largest online marketplaces, with over 104 million internet users.

In 2020, around 191 million Indonesians will have access to the internet. This amount is predicted to rise to over 240 million by 2025. Indonesia has over 171 million internet users, making it one of the world's largest online markets. Online penetration in the country is expected to be about 70% by July 2021. Mobile texting and social networking are two popular internet hobbies (Statista, 2021).

Other statistics show that the increased usage of the internet has an impact on social media use in Indonesia. According to dataindonesia.id, the number of active social media users in Indonesia will reach 191 million by January 2022. When compared to the previous year, this figure climbed by 12.35 percent (M Ivan Mahdi, 2022).

Figure 1. Most Used Social Media Platforms in Indonesia in 2021 (SIMON KEMP, 2021)

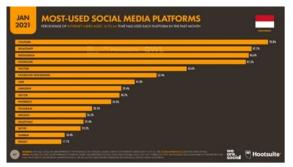


Figure 1 shows Indonesian social media data. In January 2021, there will be 170.0 million social media users in Indonesia. Between 2020 and 2021, the number of social media users in Indonesia grew by 10 million (+6.3%). In January 2021, the number of social media users in Indonesia will be 61.8 percent of the total population (SIMON KEMP, 2021).

Analysis of Consumption Behavior Using Social Commerce...... **DOI**: <u>10.37531/mirai.v7i1.1776</u> The rise of social media has given rise to a new e-commerce platform known as social commerce. Electronic sellers, such as Tokopedia, can merge social media with their traditional e-commerce sites in social commerce. These advancements have transformed the role of consumers and empowered them by putting them in a unique position to influence other buyers and give advice in purchase decisions (Doha et al., 2019; X. Wang et al., 2019).

Instagram is a prominent social networking tool used for online commerce. Instagram is a smartphone application that may be downloaded. It is a social networking tool that lets users shoot photographs or videos, add digital filters to them, and then share them with their friends. Instagram is a social networking platform that facilitates users' social activity, such as parallel communication, engagement, leisure, and amusement. The present evolution of the internet marketplace, as well as the constant changes in business models, are essential elements fueling Instagram's rise in the social commerce industry (Liao et al., 2022).

Fashion firms that utilize Instagram as a communication channel with their clients are subjected to research on consumer behavior on social media platforms such as Instagram. They can also help to encourage co-created content and increase consumption among men and women (Molina-Prados et al., 2022). Another study on fashion consumption behavior reveals that the usage of Instagram is the most crucial element in purchasing fast fashion. According to the findings of this study, Instagram, contactless smartphone payments, and the appraisal of celebrities' and the general public's consumption value are the predictors of fast fashion purchasing behavior (Fujiwara, 2020).

The focus of this research was to explore how students in management courses consume using the social media platform Instagram. The sort of phenomenological research method used in this study is a qualitative approach. The subjects of this study were students from the Department of Management, Faculty of Economics, Al Washliyah University batch 2020, with the interview and observation methods used to collect data in this study.

2. Research Method

Because it is oriented on subjective experience or experiences that locate a certain phenomenon, this study employs a qualitative phenomenological approach (Anggraini et al., 2020). Phenomenology is a philosophical approach to the study of phenomena related to human consciousness. In phenomenology, researchers attempt to offer a direct account of a person's experience as it is, without regard for its psychological origins or any causal explanations provided by scientists. Rather than simply applying techniques, phenomenology is equipped to understand participants' subjective interpretations of the fundamental objects of study by emphasizing the significance applied to their life experiences and exploring the specific meanings underlying empirical variants of a given phenomenon (Ahmad et al., 2022).

The study phenomenological technique described in this paper is divided into four steps, as shown in Figure 2. This research stage follows the Edwin Creely research stage (Creely, 2018), which comprises of the first step of textual analysis of ontological descriptions, followed by identification of the 'essence' of experience by reduction. Third, experience-related meaning is evaluated via a hermeneutical lens to expose or reinforce meaning. Finally, the results of ontological description, reduction, and hermeneutic analysis are merged into a thorough findings synthesis.

Figure 2. Research Stage (Creely, 2018)



Purposive sampling was utilized by the researchers to determine the population of students who use Instagram. Furthermore, the researcher employed the snowball sampling approach to choose students who would serve as research informants. The informants in this study were Al Washliyah University Management Study Program students. To acquire comprehensive and saturated data, researchers interviewed chosen informants. Participatory observation and in-depth interviews were employed to obtain data. The acquired data was then examined using data reduction, data display, and drawing conclusions. The data's veracity was validated utilizing triangulation of sources and methodologies.

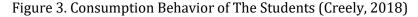
3. Result and Discussion

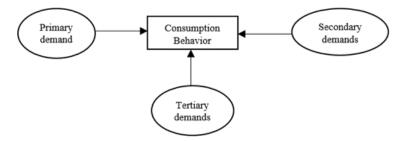
Students studying management typically consume products and services. Food, clothes, internet transportation, printing and photocopying services, and washing are among them. This consumerism is affected by their social surroundings, namely their friends. Their age, life cycle changes, lifestyle, personality, and self-concept all have an impact on their conduct. Their current spending habits change greatly from those of the first year. Management students' consumer perspective has shifted significantly, as they now consider the long-term consequences of their present consumption. Student consumption is well managed since they often prioritize their consumption habit.

The priority scale might assist individuals in managing and planning their consumption habit. Their money is being allocated more for their basic requirements (food and daily needs). Meanwhile, secondary and tertiary requirements (such as socializing, vacations, and shopping) will be met when primary needs are met. Some students also make bank deposits. Management students frequently utilize Instagram. Students utilize it when they are bored while waiting for the next lesson, and when they are doing their everyday activities. They use Instagram to get information and engage with their peers. Students specializing in development economics still seek recommendations from their friends when determining which things to purchase, even though they already utilize Instagram in their consumption behavior.

3.1. Consumption Behavior of The Students

Management students have a logical approach to consumption. This is due to the fact that their consuming behavior includes the purchase of products and services. Before moving on to additional demands, students might prioritize their key needs. They consume products that are essential necessities such as primary, secondary, and tertiary demands, as shown on figure 3. They use internet transportation, printing and photocopying services, and washing services. Students in the Management Department's consumption habits are likewise influenced by their surroundings. Students are frequently tempted to mimic their peers' consuming habits. Peers, for example, may introduce an adolescent to cigarettes, alcohol, and drugs; they may encourage a youngster to use a substance; and they may give support for a teen to begin smoking, drinking, and using drugs.





Furthermore, smoking activity by peers has a higher impact on teenagers than a smoking activity by parents. This might explain why students majoring in management engage in their classmates' consuming habits. Changes in age, self-concept, lifestyle, and personality of economic development students influence their consumption behavior. The students believe that their consuming habits differ from their first-year activities. Makeup is a separate type of consumer item. They don't need cosmetics for the first year, so they don't buy them. Students mature into adults, influencing their purchasing habits. They may now consider the long-term consequences of their consuming habits.

This is similar to the findings of research involving 571 college students (Y. Wang et al., 2021), which found that characteristics such as service and convenience tend to affect and modify the consumption behavior of college students. Providers of financial services based on the internet can effortlessly alter consumers' consumption behaviors. This is in line with the findings of other

studies (Watung, 2018), which demonstrate that financial literacy, social environmental factors, and cultural factors have a significant influence on student consumption behavior, to the extent that 83.5% of the time, these factors jointly and simultaneously affect the consumption behavior of students attending the Faculty of Economics at Manado State University. This finding is consistent with the findings of these other studies.

3.2. The rationality of Consumption Behavior of The Students

According to the findings of this study, management students use Instagram daily and for social purposes. Instagram Stories, Explore, and Likes are the most often used features. Students use Instagram Stories to follow the activities of their classmates and to share their everyday activities. Students utilize Explore to learn more about topics that interest them. Management students interested in culinary arts, as well as students interested in sports and entertainment, will hunt for information in Explore. Instagram users have fun when they communicate with one another, watch one another's photos, write comments, or just like one another's pictures. These things can foster significant social relationships among users.

Students who use Instagram are more inclined to seek information and communicate socially. Students can get additional knowledge by using Instagram. When students require information about a product they want to purchase, they will go to Instagram. Students may also compare the quality of the things they want to purchase on Instagram. Multiple Photo, one of Instagram's newest features that allow users to submit up to ten photographs at once, helps management students to learn more about the things they wish to buy. These features can help pupils gain more knowledge. Instagram also encourages the growth of student entrepreneurship.

Aside from Instagram, students are affected by their classmates when it comes to consumption. When deciding on their consuming habits, some students seek guidance from their friends. Some students do not seek guidance. Those that want guidance to inquire about the product's quality, model, and material. Peer influence is generally greater, although personal variables such as lifestyle and self-concept also play a part in decision making.

This is consistent with findings from a study that investigated the effect that using Instagram had on the shopping habits of Islamic-based female students in Bandung (Anwar et al., 2020). The study found that these students read a lot and engaged in online commerce regarding fashion, which led to them becoming more consumerist than when they engaged in face-to-face transactions. While this is occurring on, additional research has revealed that ease of use, affordable prices, and visually appealing product displays are the main attractions for online buying on Instagram. This has the effect of causing students to make hasty purchasing decisions (Fasa et al., 2020).

4. Conclusion and Suggestion

Based on the results and discussion in the preceding section, it is possible to conclude that students majoring in economic development likely to consume products and services. Their social environment, namely their peers, influences their consumption habits. Students are also impacted by their age, life cycle development, lifestyle, personality, and self-concept. Student consumption control is beneficial. Their distribution of pocket money for primary necessities consumption (food and daily needs). Management students frequently utilize Instagram. Instagram Stories, Explore, and Likes are the most frequently used features. Their motivation for utilizing Instagram is to get information and socialize. Students seek advice from their classmates about the things they will consume, even if they utilize Instagram in their consumption activity. More study on consuming behavior is expected over a longer time period in order to do better research.

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