

Analysis on the Effect of Instagram Use on Consumer Purchase Intensity

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ABSTRACT

The rapid development of technology has induced the emergence of new social media applications in cyberspace. The rapidly developing social media have become alternatives to conventional mass media in the spread of news and information. Indonesia has the world's fourth largest number of Internet users, which is 132 million (Kompas.com, 2016). A market of this considerable size certainly has attracted social media marketers and administrators to gain the potential of earning profits. Thus, this research aimed to identify the advantages or benefits of social media that can be gained by businesses, especially online sales. This research also investigated the effect of Instagram on consumer purchase intention. This research used SEM-SmartPLS data analysis as it is a new research model in the development of e-commerce and social commerce. Results corroborate that Instagram has a significant, positive effect on consumer trust in doing online shopping; that consumer trust has a significant, positive effect on purchase intensity and perceived usefulness; that perceived usefulness has a significant, positive effect on purchase intensity; and that the effect size value of the variable perceived usefulness is greater than the effect size value of the variable trust, which means that the variable perceived usefulness had great importance in determining the intensity of purchase by Instagram users.

Keywords: social media, trust, perceived usefulness, purchase intensity.

1. INTRODUCTION

The rapid development of technology has induced the emergence of new social media applications in cyberspace. These rapidly developing social media have become alternative to conventional mass media in the spread of news and information. Aubrey and Judge (2012) affirmed that technology has changed consumer attitudes and behaviors. Customers increasingly have diverse choices and full authority (Hendriyani, 2018). According to the data from Kompas.com (2016), Indonesia has the world's fourth largest number of Internet users, which is 132 million. Meanwhile, Instagram has just revealed its internal data regarding its users in Indonesia. Not less than 45 million Indonesian people are active users of Instagram, and Indonesia is recorded as a country with the world's largest number of Instagram Story creators.

This development has enabled collaboration between customers and businesses via the Internet (Fuller et al., 2009). Currently, social media allow consumers to create

contents and engage in social interaction online via social platform. Several social platforms have facilitated information sharing. For instance, Instagram is a platform that exhibits the most popular and creative side of photography and videography, and it is completed with a facility for users to share information and build online community (Husada, 2014). By using social media, consumers can create contents and offer recommendations for others (Fuller et al., 2009). This fresh development has helped individuals share information globally and quickly by checking their social platform (Hajli, 2013). With the rapid development of social network, a new era of content writing, where a user can easily share experience and information with others, has emerged. Online business offers an opportunity for the community and organisations to have a good customer relationship management system. Social media can induce a new development, where businesses can conduct studies on the effect of social media on consumers. Moreover, in a platform that allows social interaction amongst members, consumers may become familiar with one another, which may become a source of trust. This interaction highly influences consumer purchase intention. Consequently, companies should create business models that go in line with social commerce (Hajli, 2013). Social commerce is a new stream in e-commerce that encourages social interaction amongst consumers via social media (Hajli, 2013). Social media open an opportunity for companies to be attractive universally.

Social media offer different values for companies, for example, increasing the popularity of a brand, facilitating word-of-mouth communication, increasing sales, facilitating information sharing in business context, providing social support for consumers (Hajli, 2014) and making consumers aware of a brand, if the communication is controlled by the company (Astuti, 2017). Moreover, the community gives shared values via social media, which positively impact consumer trust. The expansion of social media, one of which is Instagram, may be useful for the development of marketing strategies of various companies through the mechanism of trust building and influencing purchaser intention to buy products online.

This research focused on the social role of trust factor, which may influence an individual intention to purchase a product via social media. The understanding of this problem may help identify factors that build trust and purchase intention via Instagram. In addition, this research had four objectives. First, this research investigated how social media community affects trust in e-commerce. Presently, social media, such as Instagram, is utilised by users, either sellers or purchasers. The establishment of sustainable relationships will be easy for sellers and purchasers. Social media are also used to form online communities that are usually made of members that have the same positive perception on a product/company. These community members may share information with other users, which will affect trust on a product in e-commerce. The tabloid bintang.com (2017) stated that in Indonesia, online communities on Instagram are varied and connected to one another, including Instameet Jakarta, which is one of the biggest in the world. Second, this research looked into the relationship between trust and purchase intention of consumers. Social media, especially Instagram, can influence consumer trust as they allow open interactions visible to different social media users; thus, they can share information that affects consumer trust and purchase intention. Third, this research investigated the relationship between trust and perceived usefulness of Instagram application on consumer purchase decision. The usefulness perceived by social media users who feel the ease in purchasing influences their trust and encourages

them to repurchase in the future. The conclusion of this study reviews the direct and indirect effects of social media on consumer trust and purchase intention.

2. LITERATURE REVIEW AND HYPOTHESES

2.1. Social Media

Presently, many social media platforms have been developed for the smooth progress of information and content sharing online. According to Zarella (2010), social media is a new media paradigm in the context of marketing industry. Weber (2009) also validated that traditional media, such as TV, radio and newspaper, facilitate one-way communication, whereas social media facilitate two-way communication, allowing every individual to make a publication and contribute via online chats. Meanwhile, Zarrella (2010) argued that social media are platforms that can facilitate various types of activities, such as website integration, social interaction and community-based content writing. Consumers interact via social media, such as online forums, communities, rating, reviews and recommendations. This development has introduced a new stream in e-commerce, namely, social commerce, which empowers consumers to create contents and influence others. This interaction gives different values for business and consumers. Consumers may be involved in the creation of shared values (Hajli, 2013). In this case, consumers create added values through collaborations and social interactions on the Internet.

Customer reviews on social media are widely available for products and services, which may produce significant values for consumers and companies (Nambisan, 2002). This activity results in word-of-mouth communication, which is generated via social media and may help consumers in their purchase decision (Hajli, 2013). Interaction through social media helps increase the level of trust and reduce perceived risk. Cyberspace facilitates human interactions for social and commercial purposes. With the widespread use of social media that enables individuals to send information they gain from their experience, the quality of contents they post will be uniquely challenged. When individuals join online communities and participate in groups, they seek social support and develop friendship in the community. The perceived usefulness of social media and love and support from group members are defined as social support, and research verifies that online community generates good information and emotional support (Ballantine & Stephenson, 2011). Instagram is an excellent example, where individuals provide social support for others. This support may also attract many people to go online and find information via social media. Furthermore, the study on social media is useful for seeing how individuals establish social interactions on the Internet (Gruzd et al., 2011).

Hutter et al. (2013) asserted that this new reality of marketing communication presents a new threat and opportunity for companies. Thus, purchase decision is increasingly influenced by interactions via social media. People rely on their social network before making their purchase decision (Hinz et al., 2011). The interconnectedness amongst consumers via social media as shown in reviews or recommendations is used for building trust in e-commerce. In social network service, social interaction amongst consumers may result in the support or rejection of trust towards service providers. Consumer socialisation directly takes place through the interaction amongst social media consumers and indirectly occurs through product involvement (Hajli, 2013). Customer reviews affect purchase intention by improving

trust (Hajli, 2013). On the basis of the discussion above, the following hypothesis was formulated:

H1: Social media have a positive effect on user trust.

2.2. Trust

Trust is the foundation of a business. Building trust in a long-term relationship with customers is an important factor for building customer loyalty. If consumers trust a seller, then they will be pleased to repurchase and share valuable information personally to other consumers or to the seller. Moorman (1993) defined trust as the willingness of an individual to depend on another party that is involved in an exchange as he or she has confidence in that party. If one party has confidence that the other party that is involved in the exchange has reliability and integrity, then trust has been built.

Trust is measured in two dimensions, namely, competence and policy competence, which may lead to brand trust (Li et al., 2008). Trust in an e-commerce system is the willingness of a consumer to rely on the seller transaction and take action although the seller transaction may easily disadvantage him or her. According to Head and Hassanein (2002), the levels of consumer trust vary depending on how much information has been collected and shared from the use of an e-commerce system. In addition, the levels of consumer trust in e-commerce may be increased through honest attitude through the presentation of complete and accurate information.

E-commerce is a type of trade that is impersonal and a high possibility of fraud and scamming has emerged because no direct interaction exists between a seller and a purchaser in e-commerce. The levels of communication between a seller and a purchaser are only based on a system that is set in such a way. Thus, trust plays a crucial role in the use of e-commerce. Without trust, e-commerce will not develop well. According to Mayer et al. (1995), three factors can build a person trust in a brand of a company, namely, ability, benevolence and integrity.

2.3. Trust Effect

Trust and perceived security on social network play an important role in the attitude towards shopping. Research corroborates that members of online communities assure one another to exchange information and experience, which will increase trust and lead to one's purchase intention (Han & Windsor, 2011). Trust has a positive relationship with perceived usefulness and improves certain features of perceived usefulness (Hajli, 2013). Previous research affirms that positive trust will influence perceived usefulness (Hajli, 2013). In addition, trust plays a key role in determining consumer intended and actual behavior. Thus, the following hypotheses were suggested:

H2: An individual's trust in social networking sites has a positive effect on purchase intention.

H3: Positive trust affects perceived usefulness.

2.4. Perceived Usefulness

Thompson et al. (1991) asserted that the usefulness of information technology is the impact expected by information technology users in performing their tasks. Thompson (1991) also affirmed that individuals use information technology if he or she well comprehends its advantage or usefulness. This advantage includes several factors,

such as make the job easy and useful, increase productivity, enhance effectiveness and improve job performance.

Ease of use is one of the points in TAM model and has been tested in the research by Davis et al. (1989). The results of this research elucidate that this factor has been empirically proven to be able to explain the reason why end users use an information system and explain that a new system that is under development is accepted by end users. This process can be used for predicting consumer behaviors in e-commerce. Previous researchers were consistent in their view that perceived usefulness has a direct, positive effect on the acceptance of a system. According to Ahn et al. (2007), businesses may focus on system information, service and quality to improve their websites and the perceived usefulness of their consumers.

Perceived usefulness plays an important role in e-commerce and may result in positive impact towards the circumstance of social commerce. The results of the research on shopping via social networking sites prove that the higher the number of consumers shopping via the social networking sites they deem useful, the stronger their intention to purchase through those social networking sites (Hajli, 2013). Thus, the following hypothesis was suggested:

H4: Perceived usefulness has a positive effect on user intention to purchase via social networking sites.

2.5. Purchase Intensity

Purchase intention shows the intention of customers to repurchase (Assael, 1998). Purchase intention is derived from learning and thinking processes that form a perception. This purchase intention arouses motivation that is always recorded in the mind and becomes a strong desire, and eventually, the consumers who must fulfill their needs will actualise what is in their mind. Oliver (1997) confirmed that the hierarchical effect of purchase intention is used for describing the order of the occurrence of belief.

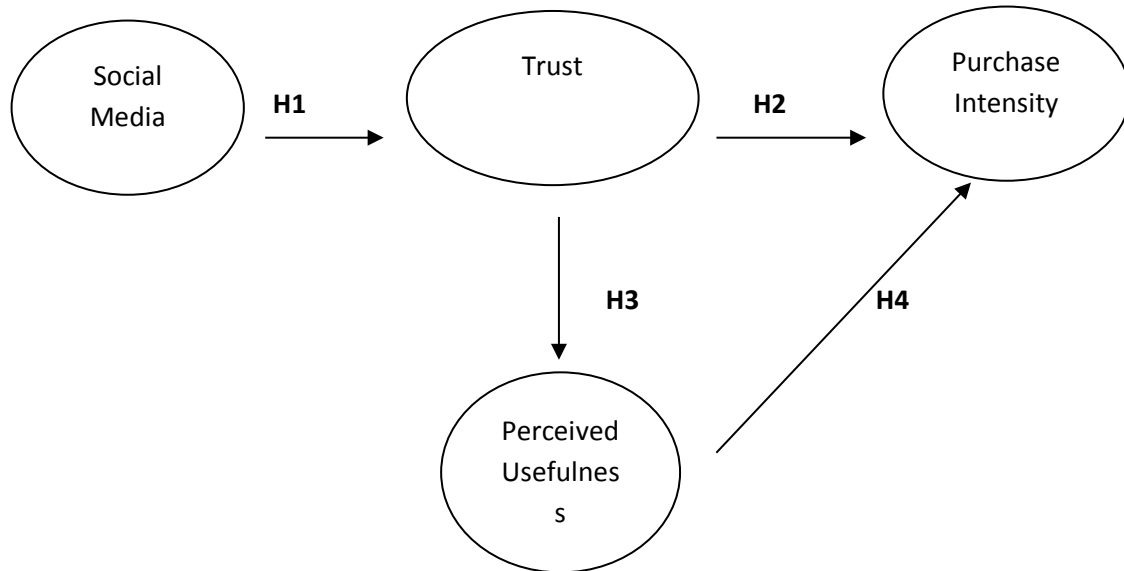
Individual's intention to repurchase is closely influenced by trust and perceived usefulness presented by a store regardless of his or her needs. The two factors presented above are the key factors to win customer trust when shopping. Negative perspective of the use of social media reduces customer purchase intention. Saragih et al. (2012) proved that customer satisfaction after doing online shopping strongly influences customer intention to repurchase at the same online shop. Hajli (2013) corroborated that trust has a significant, positive effect on the intention to buy a product on the Internet. Trust serves as the primary capital in arousing customer intention to do shopping at online shops.

According to Ferdinand (2006), purchase intention can be identified through the following indicators:

- a. Transactional intention, which is one's tendency to purchase a product.
- b. Reference intention, which is one's tendency to make a reference of the product to others.
- c. Preference intention, which describes the behaviors of a person who has the main preference for a product. This preference will only change if something happens to his or her preferred product.
- d. Explorative intention, which describes the behavior of a person who always finds information regarding the product he or she is interested in to support the positive features of that product.

2.6. Research Framework

On the basis of the theoretical review and hypotheses, the following research framework was made.



3. RESEARCH METHOD

For the determination of the effect of Instagram use on purchase intensity, primary data obtained from the distribution of questionnaire that used Likert scale were used. The respondents of this research were Instagram users who followed the official account of a company's brand and Instagram users in general. A sample of 170 respondents was obtained using purposive sampling technique.

4. RESULTS

4.1. Respondent Characteristics

The respondent data presented in Table 1 affirm that male respondents made up 32.94 percent of the total respondents and that female respondents made up 67.06%; that most of the respondents were at the age of 21–30 (67.06%); that the dominant portion of the respondents was composed of students, making up 43.53% of the total respondents; as many as 56.47% respondents had bachelor's degree and that most of the respondents (45.88%) had done online shopping 1–5 times within the last two months.

Table 1: Respondent Characteristics

Sex	Frequency	Percentage
Male	56	32.94%
Female	114	67.06%
Age	Frequency	Percentage
< 20 years old	20	11.76%
21–30 years old	114	67.06%
31–40 years old	13	7.65%
>40 years old	23	13.53%
Status	Frequency	Percentage
Student	74	43.53%

Private employee	20	11.76%
Civil servant/army/police	27	15.88%
Entrepreneur	10	5.88%
Others	39	22.94%
Education	Frequency	Percentage
Middle school	2	1.18%
High school/vocational high school/equivalent	59	34.71%
Diploma	13	7.65%
Bachelor's degree	96	56.47%
Online Shopping Experience	Frequency	Percentage
1–5 times	78	45.88%
6–10 times	39	22.94%
More than 11 times	53	31.18%

4.2. Description of Research Variables

The results of the descriptive analysis of the variables, namely, social media, trust, perceived usefulness and purchase intensity, are presented as follows:

4.2.1. Social Media

Table 2 shows that the majority of the respondents agreed to the question regarding the variable social media (Instagram). The mean score of each indicator tended to be high, which shows that Instagram has a fairly important role in sales. The lowest mean score was gained by the indicator SM2, which shows that, in terms of community formation, Instagram still needs some improvement.

Table 2: Social Media Description

No. item	Social media indicators	Mean	Criteria
SM1	Facilitating information exchange	4.129	Agree
SM2	Facilitating interaction	3.894	Agree
SM3	Facilitating product judgment	4.082	Agree
SM4	Facilitating review	4.129	Agree
SM5	Allowing for product recommendation	4.147	Agree

4.2.2. Perceived Trust

Table 3 shows that the majority of the respondents tended to show neutral response to the question regarding their trust in online sales via Instagram, which suggests that respondent trust when doing online shopping via Instagram was moderate. The lowest mean score was gained by indicator T3, which means that the reviews made by sellers on Instagram do not have high credibility in building consumer trust.

Table 3: Trust Description

No. item	Trust indicators	Mean	Criteria
T1	Reviews on social media are reliable.	3.547	Agree
T2	Reviews on social media are integrated.	3.435	Agree
T3	Social media are secured.	3.388	Agree
T4	Reviews enable experience sharing.	3.853	Agree

4.2.3. Perceived Usefulness

Table 4 exhibits that the majority of the respondents tended to agree to the question regarding the variable perceived usefulness. The mean score of the variable perceived usefulness tended to be high, with the lowest mean score gained by indicator PU3, suggesting that some information provided in the social media (Instagram) communities were still incomplete.

Table 4: Perceived Usefulness Description

No. item	Perceived usefulness indicators	Mean	Criteria
PU1	Community information is complete.	3.982	Agree
PU2	Community information is helpful.	3.871	Agree
PU3	Community information is relevant.	3.388	Agree
PU4	Transaction via social media is easy.	4.035	Agree

4.2.4. Purchase Intensity

Purchase intensity is a behavior occurring as a response to an object. Purchase intensity also refers to repurchase intention, which shows customer intention to repurchase. Table 5 shows that most respondents agreed to the question regarding the variable purchase intensity, suggesting that the purchase intensity of consumers via Instagram was fairly high. The mean score of each indicator tended to be high, with the lowest mean score gained by indicator IB1, showing that consumer inclination to purchase products via Instagram was low.

Table 5: Purchase Intensity Description

No. item	Purchase intensity indicators	Mean	Criteria
IB1	Fond of shopping via Instagram	3.494	Agree
IB2	Willing to recommend products online	3.494	Agree
IB3	Willing to repurchase due to good outcome	4.241	Agree
IB4	Finding information in purchasing	4.424	Agree

4.3. Verification Analysis

In this research, PLS analysis was conducted as a verification analysis to test the effect of variables, namely, social media, trust and perceived usefulness, on purchase intensity. PLS analysis is highly recommended if the information in the theory is still weak (Hajli, 2013), for example, the theory in social media and social commerce.

4.3.1. Measurement Model Evaluation (Outer Model)

Table 6 shows that the convergent validity of the indicator IB4 has a loading factor value < 0.6 , which means that indicator IB4 was not valid to be used in the purchase intensity measurement and had to be removed from the model. The loading factor values of the indicators after IB4 were removed from the model, as shown in in Table 7. Table 7 illustrates that the loading factor values of all indicators have reached > 0.6 , meaning that all indicators were valid for the research variable measurement. In addition, the convergent validity can be measured on the basis of the AVE value, which is required to be > 0.5 . The results are presented in Table 8, which shows that the AVE values of all constructs were > 0.5 , meaning that the convergent validity was met.

Table 6: Results of Convergent Validity Testing

Indicators	Purchase intensity	Perceived usefulness	Social media	Trust
IB1	0.755			
IB2	0.729			
IB3	0.769			
IB4	0.584			
PU1		0.695		
PU2		0.826		
PU3		0.818		
PU4		0.682		
SM1			0.668	
SM2			0.679	
SM3			0.781	
SM4			0.841	
SM5			0.748	
T1				0.793
T2				0.775
T3				0.730
T4				0.750

Table 7: Results of Convergent Validity Testing

Indicators	Purchase intensity	Perceived usefulness	Social media	Trust
IB1	0.812			
IB2	0.789			
IB3	0.716			
PU1		0.692		
PU2		0.821		
PU3		0.826		
PU4		0.681		
SM1			0.668	
SM2			0.679	

SM3			0.781	
SM4			0.841	
SM5			0.748	
T1				0.793
T2				0.775
T3				0.730
T4				0.750

Table 8: AVE Value

Constructs	AVE
Purchase intensity	0.598
Trust	0.581
Social media	0.557
Perceived usefulness	0.575

The results of the discriminant validity and construct reliability are shown in Tables 9 and 10. According to Table 9, the square root of AVE of all constructs is greater than the correlation between latent constructs. Thus, the model met the discriminant validity. Meanwhile, Table 10 shows that the Cronbach's alpha values of all constructs are > 0.6 and the composite reliability values are > 0.7 , suggesting that all constructs met the construct reliability.

Table 9: Results of Discriminant Validity Testing

Constructs	Purchase intensity	Trust	Social media	Perceived usefulness
Purchase intensity	0.773			
Trust	0.354	0.763		
Social media	0.417	0.311	0.746	
Perceived usefulness	0.403	0.448	0.476	0.758

Table 10: Results of Construct Reliability Testing

Construct	Composite reliability	Cronbach's alpha
Purchase intensity	0.817	0.663
Trust	0.847	0.761
Social media	0.862	0.805
Perceived usefulness	0.843	0.753

4.3.2. Structural Model Evaluation (Inner Model)

The PLS structural model can be measured by looking into the R^2 value of every endogenous variable as the predictive power of the structural model. The R^2 values are shown in Table 11, which shows that the variable purchase intensity has an R^2 value of 0.200. In this research, the variable purchase intensity was affected by the variable trust. Hence, the R^2 value of 0.200 affirmed that the contribution given by the variable trust to purchase intensity amounted 20%. Furthermore, the R^2 value of the variable trust was 0.097, implying that the variable trust was influenced by social media, with a contribution given by the variable social media to trust amounting 9.7%. The variable perceived usefulness had an R^2 value of 0.201. This finding means that perceived usefulness was influenced by trust, with a contribution of 20.1%.

Table 11: R Square Value

Constructs	R Square
Purchase intensity	0.200
Trust	0.097
Perceived usefulness	0.201

The influence of each predictive variable on the endogenous variables is shown in Table 12. The f^2 value of the variable trust on purchase intensity was 0.035, whereas the f^2 value of the variable perceived usefulness on usefulness intensity was 0.091. This finding means that the f^2 value of the variable perceived usefulness was greater than that of the variable trust. Thus, the variable perceived usefulness has great importance in determining purchase intensity. Meanwhile, the predictive power of the model can be seen from the result of Q^2 predictive relevance calculation as follows:

$$Q^2 = 1 - (1 - R^2_1) = 1 - (1 - 0.097) (1 - 0.200) (1 - 0.201) = 0.423.$$

The result of the calculation above validates that the Q^2 value of the model was $0.423 > 0.35$, suggesting that the model had a strong predictive relevance.

Table 12: Effect of Size of Trust and Perceived Usefulness on Purchase Intensity

Variable	R^2 include	R^2 exclude	f^2
Trust	0.200	0.172	0.035
Perceived usefulness	0.200	0.127	0.091

4.3.3. Model Goodness-Of-Fit Testing

The results of the communality and redundancy index calculation are shown in Table 13. According to Table 13, the communality index value was 0.748, and the redundancy index value was 0.452. Hence, the GoF value of the model was $\text{GoF} = \sqrt{(\text{com} \cdot \text{red})} = 0.213$.

According to the result of the calculation above, the GoF value of the model was 0.213, which approached 0.25. This finding verifies that the model had GoF within the category approaching medium GoF (good model goodness of fit).

Table 13: Commuality and Redundancy Indexes

Construct	Commuality	Redundancy
Purchase intensity	0.598	0.064
Trust	0.581	0.057
Social media	0.557	
Perceived usefulness	0.575	0.114
Mean commuality	0.578	0.078

4.4. Hypothesis Testing

The statistical t value in Table 14 shows that the effect of the variable social media on trust was as much as 4.860 with the original sample having a positive mark. As the statistical t value was > 1.96 and the original sample had a positive mark, the variable social media had a significant, positive effect on trust. This finding means that the better the role of Instagram in online sales, the higher the consumer trust, and vice versa. Similarly, the effect of trust on purchase intensity, the effect of trust on perceived usefulness, and the effect of perceived usefulness on purchase intensity were positive and significant. Thus, all hypotheses of this research were proven.

Table 14: Results of Hypothesis Testing

	Original sample	Sample mean	Standard deviation	Standard error	t Statistics
Social media -> trust	0.311	0.326	0.064	0.064	4.860
Trust -> purchase intensity	0.218	0.218	0.086	0.086	2.541
Trust -> perceived usefulness	0.448	0.453	0.067	0.067	6.684
Perceived usefulness -> purchase intensity	0.305	0.316	0.074	0.074	4.105

5. DISCUSSION

The statistical t value of the effect of the variable social media on trust was 4.860 with the original sample having a positive mark. As the statistical t value was > 1.96 and the original sample had a positive mark, the variable social media had a significant, positive effect on trust. This finding means that the better the role of Instagram in online sales, the higher the consumer trust, and vice versa.

The research results corroborate that the variable social media had a significant, positive effect on trust, which means that the better the role of Instagram in online sales, the greater the consumer trust, and vice versa. This result is in line with the results of research by Hajli (2013), which validate that the interconnectedness amongst consumers via social media, for example, through reviews or recommendations, is used for building trust in e-commerce. In social networking services, social interactions amongst consumers help their fellows to develop or reject trust in a provider. Consumer socialisation directly takes place via social media through social interaction amongst consumers and indirectly by supporting product engagement.

The results of this research are consistent with the research results by Hutter et al. (2013). The research explains that 'social media development has changed the form of direct communication and has a significant effect on marketing communication.' Hutter et al. (2013) affirmed that this fresh marketing communication reality presents new threats and opportunities for companies, making purchase decisions to be increasingly influenced by social media interactions.

Given the importance of social media role as a marketing channel, social media has currently gained importance as they are related to good relationship with customers and they build communities and promote active engagement of consumers. Direct involvement of social media may also be in connection with the relationship made possible by the creation of brand value that provides more value to consumers to affect the brand. Thus, this may challenge managers to manage their brands well, in which such activities may result in consumer satisfaction. The increase in the number of social media users in consumer everyday lives increases brand marketing activities as well. Therefore, the effect of social media on marketing, perceived brand and decision regarding consumer brand must be understood.

Social relationships amongst consumers built through social media significantly affect consumer trust. The interactions on this platform lead to social support. Social support is resulted from social media, which consequently influences trust. In addition, positive comments and feedback and high rates increase trust in vendor (Hajli, 2013). Reviews are deemed to be useful in affecting the attitude and purchase intention of the consumers, which are shown through the impression left about the products or services. Quality and quantity of information from customer reviews affect the purchase intention through trust increase (Hajli, 2013).

Trust has an effect on purchase intensity. Trust is a foundation of e-commerce development. Trust plays a very important role in e-commerce. According to Mayer et al. (1995), building one's trust in a brand of a company has three factors, namely, ability, benevolence and integrity. Trust has a significant, positive effect on perceived usefulness. Thus, the higher the trust of consumers in Instagram, the better the consumer perception on the media usefulness, and vice versa. The results of this research are in line with the results of the research by Hajli (2013), which verified that trust has an effect on perceived usefulness. Moreover, trust plays a key role in determining good consumer behaviors and actual behaviors. The interactions amongst users who are connected on the social networking sites improve trust, and trust determines the importance of consideration of consumer intention to purchase. Increased trust gained by consumers increases intention and allows them to purchase and conduct transaction.

The variable perceived usefulness had a significant, positive effect on purchase intensity. This finding means that the greater the consumer perception on Instagram usefulness in online sales, the higher the purchase intensity of the consumers, and vice versa. The results of this research are consistent with the results of the research by Hajli (2013), validating that the higher the number of consumers doing shopping on social networking sites they deem useful, the greater their purchase intention on those social networking sites (Hajli, 2013). Another finding of this research shows that the effect of the variable usefulness is higher than the effect of the variable trust on purchase intensity.

6. CONCLUSION AND RECOMMENDATIONS

According to the results of this research, Instagram is weak in building consumer trust through product reviews. Instagram should improve its service feature, especially for online shops; thus, reviews that are trustworthy for consumers can be displayed. Researchers should also develop a new model. In this research, the R square value obtained was still low, showing that some factors beyond trust and purchase intensity may influence purchase intensity.

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