STAYING COMPETITIVE IN THE ERA OF DIGITAL TECHNOLOGY: THE IMPORTANCE OF USING SOCIAL MEDIA

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Abstract

Using social media via electronic devices and Internet connection has become a part of life in the current day. This is altering how individuals look for information to satisfy their requirements. These modifications affect marketing activities and styles. The marketing strategy becomes simpler, and product options adjust to client wants. Social media platforms provide network connectivity that allows organizations and consumers to participate in marketing and sales activities in online communities. Using social media leads to broad social bonds and builds an environment that can influence consumer engagement. Through social media networks, online stores increase product sales and have an impact on improving small and medium enterprises (SMEs) performance. However, some studies found that social media did not cause customers to return to shop at the same online store. Therefore, this study proposes using social media mediated by the value of social commerce services. We tested this research on 215 SMEs in Indonesia who conduct online promotions and sales using social media. The goal is to analyse the benefits of using social media and the intention to buy back at the same online store to improve the performance of SMEs. Statistical analysis is based on data collected through survey questionnaires using the partial least square (PLS) method to test hypotheses.

Keywords: Repurchase Intentions, Service Quality, SMEs, Social Commerce

1. INTRODUCTION

Utilizing social media through electronic devices and marketing style gives birth to collaboration with Internet access has evolved into a modern way for consumers in developing and test new products, and life, reshaping how consumers seek information known as co-creation, meet their needs. These changes also affect marketing activities, which are not only about attracting marketing actions and styles (Galati et al., 2022), potential customers’ attention but also aim cultivate consumer interest through interactivity and engagement (Tajudeen et al., 2018). In addition, using social media leads to
the formation of broad social bonds and builds an environment that can influence consumer engagement (Tafesse & Wien, 2018). Today, social media has developed into an essential strategic asset for businesses. Social media communication has proven to be more successful than conventional communication techniques. Therefore, businesses agree that organizations must involve social media in the company’s activities to succeed and survive in the digital era (Weng et al., 2023).

The participation of small and medium enterprises (SMEs) in various regions in Indonesia, including rural and suburban areas, is essential in realizing economic equality. SMEs are expanding economic engagement to areas untouched by the business sector. SMEs in Indonesia can absorb a workforce of around 116,978,631 people, which is 97% of the total national workforce. So, in the structure of the Indonesian economy, SMEs play an essential role in strengthening economic development (Prianto et al., 2021).

Information technology in corporate operations and online sales increases production flexibility, especially for SMEs. Information technology has significantly affected the economic environment, especially in sales. In addition, technology accelerates the distribution of products to customers through software, simplifies exchanges, lowers operating costs, and speeds up the transaction process (Suliyanto & Rahab, 2012). The use of social media in business is increasing rapidly and is now recognized as an essential strategy. Businesses regularly use social networking channels (Iankova et al., 2019). SMEs embrace social media because it is user-friendly, cost-effective, has sensible technology features, and allows them to communicate with many potential clients (Jangjarat & Jewjinda, 2023).

Small and medium-sized enterprises prefer a social media presence because of their clear communication skills and the potential it offers to meet customer needs. In addition, social media serves as a low-budget marketing strategy for analytics tasks, monitoring conversions, managing content, automated posting, and targeting customers (Ahmad et al., 2019). While social media has many benefits for SMEs, research on the adoption and utilization of various social media platforms still needs to be conducted. Most research has mainly concentrated on the business-to-consumer aspects of social media usage. For example, research on the influence of social media on consumer purchasing decisions, brand awareness, purchase intent, customer retention, and the role of electronic word-of-mouth in the decision-making process. As per the definition, there are innovative ways to highlight the advantages of leveraging social media to increase product exposure, brand recognition, purchase intent, repeat purchase intent, customer satisfaction, and loyalty for SMEs. All these efforts aim to increase SMEs’ sales success (Chatterjee & Kumar Kar, 2020).

Businesses believe that to thrive in the digital age they must engage in social media as it proves to be more efficient than conventional communication channels. Social media has three forms of information dissemination. The first involves sharing company information with customers through brand posts and advertisements (Tafesse & Wien, 2018). Secondly, social media facilitates the transmission of information from customers to businesses through user-generated comments, feelings, attitudes, and materials. Third, social media encourages consumer interaction through “word of mouth” or brand communities (Dessart et al., 2016).

However, we believe that using social media can improve performance related to sales results such as revenue and reaching sales quotas (Abed, 2020). We identified flaws in the research findings examining the advantages of social media for SMEs performance. The study by Rodriguez et al. (2016) suggested that increased social media connections can reduce uncertainty while fostering familiarity, affection, belonging, and intimacy with individuals. Nevertheless, the construction of social media commerce, including ratings, reviews, praise, and referrals, only significantly affects the intent to make purchases through social media platforms (Li, 2019). In a study conducted by Meske and Stieglitz (2013), it was, it was found that 190 SMEs faced difficulties defining important company values through social media. Likewise, research on social media adoption in the UAE context (Iankova et al., 2019) showed that companies did not experience any benefit from social media adoption in improving organizational performance. A study by Ahmad et al. (2019) found that many companies are using new technologies such as social media simply because of the widespread use of social media, and they need to be confident of its benefits. They use social media mainly because of its popularity or fear of falling behind their competitors.

Nevertheless, despite the above statements, on the contrary, Nair et al. (2016) argue that the utilization of social media is an experimental journey, and the results should not be judged hastily, as pointed out by Maghsoudi Ganjeh et al. (2019). In addition, positive or negative customer experience reviews that shop through social media affect their trust in companies. Social media reviews are critical in building a positive reputation, as they are essential for the company’s goals. Research shows that customer ratings have minimal impact on a company’s online reputation (Lee et al., 2016). With this in mind, the study aimed to build a communal repository of knowledge using social media as an approach to marketing and sales. This illustrates that SMEs who use social media in their business activities can improve their sales performance (Jangjarat & Jewjinda, 2023).

This study used Hunt and Morgan’s (1996) resource-advantage theory. According to this theory, intangible resources may include organizational learning and connections, entrepreneurial skills and abilities, culture, branding, etc. The implication of this heterogeneity and imperfectly immobile intangible resource is its potential to create value and achieve competitive advantage (Hunt & Morgan, 1996). In resource-advantage theory, customer relationships can be considered valuable assets, representing businesses’ strategies to serve their customers. These solutions are created through distinctive organizational protocols, procedures, and their personnel’s expertise produced by Ahmad and knowledge (Friske & Zachary, 2019). To turn an organization into a valuable resource, the owner must serve customers more efficiently and...
effectively than competitors. According to resource-advantage theory, companies with a competitive advantage in organizational resources can achieve more vital market positions and better sales performance (Hunt & Morgan, 1996).

This study aims to examine the effect of social media usage on sales performance, mediated by service quality and social commerce service value. This particular research aims to:

1. Understand social media implementation as a synchronous organizational process in which organizations use social media to drive strategic marketing initiatives and marketing performance defined as consumer purchase transactions.

2. Understand the relationship between the process of using social media and the performance of SMEs, mediated by the quality of service and the value of social commerce services.

3. Knowing post-purchase customer behaviour by using social media.

This research found that social media has a vital role in increasing purchase intent back on the same social commerce directly by developing marketing strategies focusing on the quality of social commerce services, resulting in a quality online shopping experience. As a result, this increases intent to buy back through the value of social trading services. The number of consumers who make repurchases in the same social commerce will impact increasing SMEs sales performance (Kamboj et al., 2017).

The structure of this paper is as follows. Section 2 illustrates the literature review and our research hypotheses. Section 3 provides research methodology and Section 4 details the results and discussion. Finally, conclusions are presented in Section 5.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

This section is divided into four subsections, each describing how to create hypotheses for a particular variable. The first subsection deals with social media usage. The second subsection deals with the quality of service. The third subsection deals with the value of social trading services; and the fourth subsection deals with repurchase intent.

2.1. Social media usage

Social media improves a company’s capabilities in several ways, including cost reduction, revenue generation, innovation, and management performance (Tajudeen et al., 2018). The use of social media is closely related to the application of interactive technologies that promote the creation, sharing, and administration of information within virtual communities or networks (Harmeling et al., 2017). Users can access social media services quickly using interactive web-based platforms built with interactive applications. Social media interactive features can be examined from three perspectives: 1) allowing companies to engage directly with their customer; 2) enabling customers to interact directly with the company; and 3) allowing individuals to produce their user-generated content, as well as participate in discussions or comment on online content (Khan, 2017).

As the use of social media grows, marketing operations will have more opportunities to communicate with their customers. Due to the accessibility of social media, the way customers and merchants connect is changing. Increased social media engagement can help a sales business if salespeople use it as a marketing and sales tool. Salespeople who utilize social media can influence information communication behaviour, increasing customer satisfaction (Agnihotri et al., 2016). SMEs that utilize social media include marketing, communication, sales, advertising, innovation, problem-solving, customer service, human resources, information technology, supporting cultural change, promoting social networks, and Internet marketing (Anin et al., 2015). SMEs use social media technology to help with customer communication and internal collaboration. As a result, social media has evolved into a lucrative platform for businesses and consumers to engage in mutually beneficial interactions (Jangjarat & Jiewjinda, 2023).

Understanding consumers is the first step in the sales process. Marketing personnel will research social media accounts before participating and communicating with potential customers. A salesperson needs essential information, and a comprehensive understanding of how social media can increase sales to recognize and determine their Company’s bottom line (Tajudeen et al., 2018). Social networks can also help improve the quality of customer service. Companies can utilize social media to provide exciting and relevant information to consumers. Companies use social media channels to distribute articles, guides, tutorials, and videos to help customers better understand their goods or services. Companies can benefit from providing valuable information to improve perceptions of social trading, ultimately increasing customer loyalty. Therefore, using social media is expected to facilitate the collection of information about users, clients, and competitors. This helps businesses looking to start new ventures or expand existing ones to increase product sales, foster relationships, and engage customers more effectively (Huang & Benyoucef, 2014).

Using social media for sales allows the dissemination of company information and client contacts through brand posts and promotional advertisements (Tafesse & Wien, 2018). Social media communication can promote openness, which can help companies understand customer demand. Businesses and consumers can promote and sell goods in online communities using social media platforms such as TikTok, Facebook, Twitter, Instagram, WhatsApp, and LinkedIn (Tajudeen et al., 2018). Product reviews and ratings on the Internet encourage participatory conversation. Social media also allows customers to provide input to the company through comments, responses, likes, and dislikes on a product or content. Social media advertising also helps businesses in fulfilling their marketing goals. Customer awareness, understanding, and a community that encourages clients to purchase the products offered are examples of such efforts (Alawon, 2018).

Social media, in the context of social commerce, allows users to share their purchase experience and product information with other
customers. Consumer reviews in the form of customer comments are a background incentive for potential consumers to rate a product, influencing their online purchase decisions and shopping experience. To increase the appeal of online stores, social commerce can use association relationships and communities of social media users. We found that some social commerce organizations include tools that show potential customers their product sales track record to recommend items based on purchase transactions on social media pages. Social media pages also contain previous consumer evaluations, which can rank sales scores, reputation, and the number of visitors. Social media can help businesses increase revenue by retaining customers and attracting new ones (Hajli, 2015). Reading reviews can also help customers and potential buyers learn about an item's quality. Like in the real world, evaluations on social trading pages can affect the merchant's reputation, so consumers feel the seller's presence. In addition, it was found that social media can influence buyers through advertisements that provide valuable information about what consumers are looking for (Alalwan, 2018).

H1: Social media usage and service quality have a significant and positive relationship.

H2: There is a significant and positive relationship between social media usage and social commerce service value.

2.2. Service quality

When entering a competitive business, a high level of service quality today is an essential factor for the success of the company. Customers often express concerns about the quality of service they receive. Customer expectations are closely related to the perceived quality of service (Chen & Hu, 2010). Furthermore, service quality can predict the perceived value of the client. When consumer expectations about what should happen in general are realized, a good assessment of the quality of service arises. However, if the service is done correctly, customers will be satisfied, have a positive impression of the quality of service, and will not buy back (Lai et al., 2009). One of the most common definitions of service quality is the consumer's impression of service quality. Service quality is the perceived gap between customer expectations and service experience. According to Dhingra et al. (2020), service quality is a consumer review and evaluation of the services offered. It also increases profitability, retention, and behavioural intent (Dhingra et al., 2020). Quality has a tremendous impact on the success and failure of a company. Consumers are more likely to visit websites they trust and have a positive image. In addition, the company's image is quite vital. It acts as a filter for the client's perception of the quality of service. The quality of electronic services directly influences customer trust. Minor mistakes will be overlooked if the organization has a positive consumer reputation. However, if mistakes occur frequently, the company's reputation will decline in clients' eyes (Parasuraman et al., 1985).

One of the most critical success factors in an organization's efforts to differentiate itself from competitors is the quality of service. Physical evidence, reliability, responsiveness, assurance, and empathy are all components of quality of service (SERVQUAL). SERVQUAL is a quality measurement model commonly used and understood by the public (Parasuraman et al., 1985). To determine the customer's perception of the quality of service towards the service provided, with customer expectations consistent of five criteria listed below: 1) dependability — the ability to consistently and accurately deliver the promised service; 2) responsiveness — willingness to assist customers and provide prompt service; 3) assurance — knowledge and courtesy of the provider's employees, as well as their ability to convey trust and confidence to customers; 4) empathy — providing individual care and attention to customers; and 5) tangible — the appearance of physical facilities, equipment, personnel, and communication systems (Parasuraman et al., 1990).

The level of satisfaction is influenced by what consumers receive and how consumers receive it. Several things affect the projected quality. Service is declared quality if the quality obtained meets or exceeds consumer expectations. When expectations are not met, the whole perception of quality is diminished. As a result, the company's ability to regulate the quality component of service is weakened (Lai et al., 2009). Service providers anticipate gains in six areas: 1) immediate (increased profitability), 2) offensive (acquiring new customers), 3) defensive (customer retention), 4) increasing purchase intent, 5) differentiating consumer groups, and 6) identifying key determinants of service quality. As a result, several ways to assess service quality have been developed to track clients' impressions of their services. Customer feedback on the process or results of the services received impacts the company. This is defined by the customer's perspective on the manufacturing and consumption processes.

Social commerce blends parts of e-commerce with social interaction factors such as user feedback, referrals from friends, and interactions with other businesses and customers through social platforms. Service quality is essential in social commerce because it affects consumers' impression of the value and quality of service they receive (Huang & Benyoucef, 2014). Improving the quality of service in social commerce is a never-ending process that requires constant monitoring of consumer demand and modification of applicable tactics. Organizations should focus on several factors to improve the quality of social commerce services. For example, responsiveness and interactivity, personalization of customer experience, use of customer data to customize product recommendations or offerings, and ensuring social commerce systems run smoothly and securely; ensuring the products offered are of good quality and match the descriptions provided to customers. In addition, collecting and responding to customer feedback, ensuring data security and customer privacy are well maintained, and ensuring that the product delivery process is efficient and accurate are essential. By offering good services, social commerce can increase the value of services provided to consumers, build loyalty, increase customer satisfaction, and encourage customers to want to
buy from the same social commerce again (Weng et al., 2023).

**H3:** There is a significant and positive relationship between service quality and social commerce service value.

**H4:** A significant and positive relationship exists between service quality and repurchase intention.

### 2.3. Social commerce service value

Rapid advances in information and communication technology (ICT) and the use of social media have resulted in the emergence of new social platforms in the online business realm. Social media is becoming essential to a company’s operations, providing further reasons for businesses to use it. Social commerce refers to the incorporation of social media and social networking features into the process of buying and selling goods and services on online platforms (Hajli et al., 2017). The increasing popularity of social networks and e-commerce has given birth to a new business model known as social commerce. Social commerce leverages existing social media platforms and networking sites to increase product sales and shape users’ buying habits (Huang & BenyouCEF, 2017). Social commerce uses social interaction and user-influence features to drive online purchases. Customers can get trustworthy product suggestions from their friends through social commerce, which offers shopping experience for users, increases brand reach, and provides a buying experience. The sense of value or profit that customers derive from the services provided is the service’s value and includes the overall value perceived by consumers when they use the service to meet their needs or solve a problem (Grönroos, 1998). The practical and emotional benefits the client obtains are included in the value of the service. When considering the value of a service, customers often examine several aspects, including the quality of the service, the price of the product, the amount of customer support, the reputation of the service provider, and how well the service matches their unique requirements and expectations. Companies try to provide high-value services to their clients because it encourages client loyalty, improves their reputation, and leads to customer satisfaction and retention (Kuo et al., 2009).

We define the value of social trading services and profits achieved by using social trading platforms and services that integrate social media and e-commerce characteristics and allow users to buy in the context of interaction on social networks. Users can interact with their social networks while browsing things, reading reviews, asking questions, and making purchases (Yahia et al., 2018). Overall, the value of social commerce services can be measured based on service quality in the form of response speed from the customer service team, reliability of payment systems and transactions on social commerce platforms, ease of use of the platform by providing clear instructions and guidelines to help customers, uniqueness and advantages of the platform, and uniqueness and advantages of the platform. Using social commerce to sell and promote goods is an excellent technique for SMEs to improve market competence. SMEs benefit from social commerce by increasing the number of consumers, enabling new market penetration, facilitating customer communication, increasing competitive advantage, lowering costs, and improving sales performance while increasing brand awareness (Abed, 2020). The application of social commerce in the sales activities of a product can also increase consumer happiness. Social trading creates trustworthy information, speeds up services, and lowers prices (Huang & BenyouCEF, 2017).

Consumer purchase intent in social commerce refers to a customer’s propensity or desire to acquire a product or service depending on the values they perceive through social contact during trading (Yusuf et al., 2018). Each customer has unique interests, requirements, and social circumstances. Consumer perceptions of value can be influenced by several elements of social interaction, such as the influence of friends and family, recommendations from others, societal attitudes, or impressions received from a particular brand or company. As a result, businesses must understand the values perceived by customers and how social variables affect these values to increase consumer purchase intent.

According to resource-advantage theory, companies must be able to develop relative benefits from resources to drive business continuity. This is achieved by developing a differentiated, advantageous, and unmatched competitive advantage over competitors (Hunt & Morgan, 1996). The ability of an online trading company to provide valuable, high-quality, safe, and reliable services to consumers is a value and resource advantage that enables the company to develop its performance efficiently and effectively, be accepted by the market, and serve market segments (Hunt & Davis, 2008). In the resource-advantage theory context, the value of social e-commerce services leverages clients’ social connections to offer a different and unusual buying experience. Consumers feel connected to a community that shares their interests when interacting with other consumers’ hobbies and preferences (Weng et al., 2023). This gives him a sense of exclusivity and makes him a valuable resource (Hitt et al., 2016). Customers who believe they have special access to these networks are more likely to have repurchase intent to maintain social connections and access limited resources. In addition, the value of social commerce services can give companies a competitive advantage. Social connections and participation in online forums can help improve customer relationships with a brand. Customers who feel connected and valued by a brand are likelier to like a brand over competitors.

According to resource advantage theory, this competitive advantage increases customer purchase intent because they believe their chosen brand provides more excellent value and benefits than other options (Sahi et al., 2020).

We understand that using social media as a marketing and commerce tool limits consumers’ capacity to observe or evaluate the quality of goods sold. Due to the large number of organizations that sell goods online through online storefronts, potential customers may need help determining the quality of a product (Li et al., 2018). Consumers often express concerns about the quality of goods offered and the dangers associated with unexpected
interactions through social commerce (Beyari & Abarshi, 2019). Due to the perceived dangers associated with online trading, product quality and price differences affect consumer confidence (Liu et al., 2017). As a result, customization, attractive community features, a wide variety of product diversity, and the innovation of user interface design are significant techniques for developing loyalty and retaining existing customers in social commerce (Wang et al., 2016).

**H3:** There is a significant and positive relationship between social commerce service value and repurchase intention.

### 2.4. Repurchase intention

Repurchase intent is seen as one component of customer behaviour derived from excellent value and satisfaction and the development of consumer loyalty. Consumer loyalty was operationalized in this study through repurchase intent. Loyalty is an association with a social media platform while psychological relationships, whereas behavioural loyalty is associated with consistent and repeated purchases (Bowen & Chen, 2001). Cognitive loyalty is a high-level component that customers consider when comparing companies before making a purchase. Repurchasing or resubscribing the same goods or services in the future and selecting them repeatedly demands tremendous dedication. Situational influences and marketing actions, on the other hand, can lead to behavioural changes. Butcher et al. (2002) claim that commitment is necessary for buybacks. Individual reviews of the same organization and satisfaction with its demands are necessary for repurchase intentions (Kaynak, 2003). According to some studies, the perception of the quality of consumer service predicts the intention to repurchase.

Based on previous communication with the merchant, the customer selects and acquires the same service provider. Previous transaction experience affects customers’ propensity to buy back. Customer satisfaction is also strongly linked to future purchase intent. Proper performance goals, competition, and price are all factors to consider. Customers form future purchase intent based on the value they receive from previous interactions or purchases (Mastorakis et al., 2011). In the context of social commerce, trust is defined as a set of customer beliefs about integrity (honesty of a social commerce service provider and fulfilment of claims), virtue (concern and encouragement of a provider to act in the best interests of consumers), and competence (the ability of a service provider to provide appropriate products). The confidence that customers gain in creating a good mood during purchase transactions encourages and creates their intention to repeat purchases from the same online business on social commerce networks. This shows that SMEs must build and maintain positive relationships with their customers. So that SMEs have a more significant opportunity to increase consumer repurchase intent and improve business performance (Chong et al., 2018).

### 3. RESEARCH METHODOLOGY

In this study, measurements and estimation of structural models were carried out using SmartPLS 3.0, focusing on the dependent variable, repurchase intention. Two main features of the software explain the relationship between the factors and determine the influence of each variable examined on repurchase intent. Quantitative techniques are applied to the SMEs population that makes online sales utilizing social media to get an idea of the purpose of the study. We gathered the target audience using Google Forms, and the link was circulated through Indonesian social media (Facebook, Instagram, WhatsApp, and others). A total of 215 people responded correctly. Among them, 74.9% are women, 83.2% are under 35 years old, 40% sell fashion items, and 70% have used social media for over three years. Filter questions are used to guarantee that all respondents are active social media users. The survey was circulated through social media within the help of a network of friends. Participation in the study depended on being an active social media user with an online store on a social media platform. The structure and research items were adapted from literature and to the theme of using social media to improve SMEs sales performance. The pretest phase was conducted, where 30 SMEs were asked to answer 20 questions in four constructions (Social media usage as an independent variable, Repurchase intention as a dependent variable and Service quality and Social commerce service value as mediating variable).

Several changes were made to ensure the validity and clarity of the question. The questionnaire was divided into structural parts: part 1 offers demographic information to the respondents, and part 2 contains statements related to all four variables. All responses to items were rated on a 7-point Likert scale, with one indicating “strongly disagree” and seven indicating “strongly agree” (Hair et al., 2014).

#### 3.1. Reliability test

Reliability testing is a technique for determining the consistency of a questionnaire as an indicator of the variable or construct being studied. The following Table 1 displays the results of reliability testing using Cronbach’s alpha values for each variable in the study.

Reliability measures the extent to which measurements can provide consistent results in line with expectations. An instrument or measuring instrument, such as the questionnaire in this study, is considered reliable if respondents’ answers to statements show consistency and stability over time. Reliability tests were conducted using Cronbach’s alpha. If the coefficient of α (Cronbach’s alpha) is more significant than 0.6 ($\alpha > 0.6$), then the entire instrument is considered reliable. Based on the data in Table 1, it can be concluded that each of the variables (Social media usage, Social commerce service value, Service quality and Repurchase intention) is considered reliable because it has a Cronbach’s alpha coefficient exceeding the threshold value of 0.6 according to (Hair et al., 2014).
### Table 1. Reliability test result

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s alpha</th>
<th>rho_A</th>
<th>Composite reliability (CR)</th>
<th>Average variance extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase intention</td>
<td>0.934</td>
<td>0.939</td>
<td>0.931</td>
<td>0.787</td>
</tr>
<tr>
<td>Service quality</td>
<td>0.912</td>
<td>0.921</td>
<td>0.937</td>
<td>0.789</td>
</tr>
<tr>
<td>Social commerce service value</td>
<td>0.947</td>
<td>0.984</td>
<td>0.958</td>
<td>0.791</td>
</tr>
<tr>
<td>Social media usage</td>
<td>0.917</td>
<td>0.917</td>
<td>0.938</td>
<td>0.750</td>
</tr>
</tbody>
</table>

#### 3.2. Convergent validity

Convergent validity is a method used to evaluate the extent to which the score of an item in a measuring instrument can accurately predict a more general construct score. Convergent validity plays an essential role in testing theories and strengthening research results. When a measurement instrument has strong convergent validity, it shows that it can accurately measure the intended design. In this context, convergent validity assesses the relationship between item and constructed scores. The more significant the correlation between the two, the more reliable the data obtained. The importance of convergent validity lies in the reliability and precision of the measurement instrument. In studies, researchers must ensure that participant item scores reflect constructively measured scores. In this case, the measurement is said to have convergent validity if the value of its loading factor is more significant than 0.7.

![Figure 1. Validity test](image)

#### 3.3. Discriminant validity

One way to measure discriminant validity is to compare the extracted mean variance (AVE) with correlations between other constructs in the model. If the root value of AVE is more significant than 0.50, the validity of the discriminant has been reached. Thus, the results of the study will be more reliable.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Repurchase intention</th>
<th>Service quality</th>
<th>Social commerce service value</th>
<th>Social media usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase intention</td>
<td>0.810</td>
<td>0.888</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service quality</td>
<td></td>
<td>0.888</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social commerce service value</td>
<td>0.867</td>
<td>0.862</td>
<td>0.889</td>
<td></td>
</tr>
<tr>
<td>Social media usage</td>
<td>0.751</td>
<td>0.776</td>
<td>0.821</td>
<td>0.866</td>
</tr>
</tbody>
</table>

According to Table 2, each statement indicator has a maximum loading factor in the latent construct under test compared to other latent constructs. This implies that the relevant latent architecture can accurately forecast each induction statement. The results of this study show that the instruments used in this study have good reliability in measuring the desired variables. In other words, each indicator in the statement accurately reflects the concept or dimension in question. Therefore, these findings support the instrument’s validity and reinforce the belief that the variables measured in this study are discriminatory, differentiated, and relevant to the latent construct tested. In this context, the validity of a valid discriminant is found in the indicators of the statement.
3.4. R-squared value

Using adjusted R-squared, this study had more than two independent variables. R-squared values vary from 0 to 1, with values close to 1 indicating a more significant relationship between variables. R-squared is often classified into three categories depending on a certain threshold. If the R-squared value is 0.67, the model is considered vital. For that example, with an R-squared value of 0.67, the model can account for about 67% of the variance in the independent variable. This means that the model's independent variable accounts for about 33% of the variation in the dependent variable. A model is considered harmful if the R-squared value is less than 0.19. This suggests that the independent variable can account for only 19% of the variation in the dependent variable.

<table>
<thead>
<tr>
<th>Variables</th>
<th>R-squared</th>
<th>Adjusted R-squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase intention</td>
<td>0.767</td>
<td>0.762</td>
</tr>
<tr>
<td>Service quality</td>
<td>0.603</td>
<td>0.599</td>
</tr>
<tr>
<td>Social commerce service value</td>
<td>0.801</td>
<td>0.797</td>
</tr>
</tbody>
</table>

The findings revealed that all three factors could explain 76.7% of the difference in buyback intent. This shows that social media usage, quality of service, and value of social commerce services strongly influence consumers' desire to make repeat purchases. These findings imply that efforts to increase repurchase intent should focus on improving social media utilization, service quality, and social commerce service value. However, additional characteristics not included in the study and led to a 23.3% difference in repurchase intent should be mentioned. The findings emphasize the need to evaluate other factors that may influence buyback intent in addition to the variables already addressed.

3.5. Hypotheses test

The bootstrapping approach was used in this test to reduce problems that may arise due to abnormal or distorted data in this study, as revealed by the bootstrapping approach used to reduce problems that may arise due to abnormal or distorted data. Next, the research hypotheses are evaluated on each sample using appropriate statistical procedures. Finally, the test results of each sample are used to derive more robust conclusions regarding the hypotheses being tested. The bootstrapping approach provides a more reliable solution since it does not assume a specific data distribution.

<table>
<thead>
<tr>
<th>Correlation</th>
<th>Original sample (O)</th>
<th>t-statistics</th>
<th>p-values</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media usage → Service quality</td>
<td>0.776</td>
<td>12.02</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Social media usage → Social commerce service value</td>
<td>0.384</td>
<td>3.30</td>
<td>0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>Service quality → Social commerce service value</td>
<td>0.567</td>
<td>5.35</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Service quality → Repurchase intention</td>
<td>0.224</td>
<td>2.21</td>
<td>0.029</td>
<td>Significant</td>
</tr>
<tr>
<td>Social commerce service value → Repurchase intention</td>
<td>0.657</td>
<td>6.32</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Based on statistical analysis, testing these hypotheses seeks to determine whether the hypothesis presented is acceptable or rejected. In this procedure, we use significant values to determine whether the hypotheses testing findings have adequate confidence. A commonly used significance level is 0.05, which indicates that if the hypothesis testing findings have a significance
value of less than 0.05, the hypothesis is acceptable. Next, we can see the t-value achieved by this investigation. In this study, we chose a critical value of 1.96 for a significance level of 5%. As a result, if the estimated t-value is above this critical threshold, the hypothesis can be accepted. The following are the test results based on the results of the hypotheses test.

**H1:** This study used H1 testing to assess the effect of social media usage on service quality. With a t-value of 12.02 > 1.96 and a p-value of 0.000 is less than 0.050, the original sample value was 0.776. The acquisition of p-value shows that the characteristics of social media usage significantly affect the quality of service. As a result, H1 considerably influences the quality of services obtained.

**H2:** The findings of H2 testing on the effect of social media usage on the value of social commerce services were positive, with a value of 0.381 in the original sample. The t-value of 3.30 also exceeds the crucial value of 1.96, while the p-value of 0.001 is less than 0.050. This shows a strong link between social media activity and the value of social trading services. Consequently, H2, namely the variable of social media usage to the value of social commerce services, is accepted. According to research findings, social media usage has a positive, if slight, effect on the value of social trading services.

**H3:** The original sample value was 0.567, the t-value was 5.35 > 1.96, and the p-value was 0.000 of 0.050 based on H3 test of the effect of service quality on the value of social commerce services. The acquisition of p-value shows a substantial relationship between service quality and social commerce service value. This implies a significant and positive relationship between the quality of service and the value of social trading services.

**H4:** The H4 test results of the effect of service quality on repurchase intention showed that the original sample value was 0.244, the t-value was 2.21 > 1.96, and the p-value was 0.029 < 0.050. The acquisition of p-value significantly influences service quality variables on repurchase intention. Based on the findings of this study, service quality has a beneficial and substantial effect on repurchase intent through social media.

**H5:** Based on H5 testing, it was found that the value of social commerce services positively affected repurchase intention, with the original sample value of 0.657, the t-value of 6.32 > 1.96, and the p-value of 0.000 is less than 0.050. Acquisition p-value shows a substantial relationship between the value characteristics of social commerce services and repurchase intent. The study found that the value of social trading services has a beneficial effect on repurchase intent.

4. RESULTS AND DISCUSSION

The study's results, which looked at the relationship between characteristics connected to social media usage and repurchase intent, using the value of social commerce services as a mediator, showed that it had considerable influence. These findings provide ample empirical evidence to support the idea that greater social media usage can indirectly increase repurchase intent through the value of social commerce services. The quality of social commerce services is critical to driving buyback intent for social media usage. It can be concluded that the purpose of using social media is to develop new social contacts. In addition, social media can be used to find similar people's interests, stay in touch with friends and customers, and develop and share content with customers. Accessing materials created by friends and customers has improved exposure, new customers, satisfaction, and loyalty of consumers who make repeat purchases, offer feedback, likes, reviews, resonant products, services, and social commerce (Kamboj et al., 2017). As a result, this increases intent to buy back through the value of social trading services.

The value variable of social trading services can bridge the gap between social media usage and buyback intent by mediating the relationship between the two. According to the findings, the value of social commerce services bridges social media activity and repurchase intent. It is commonly known that the coefficient of indirect influence has a significant influence, and the coefficient of the path of direct influence also produces substantial findings. As a result, the value of social trading services can be seen as a partial mediation of the relationship between social media activity and repurchase intent (Wang & Kim, 2017; Tafesse & Wien, 2018). That is, the value of social commerce services mediates the relationship between social media usage factors and repurchase intent. According to the data, social commerce service value can provide benefits and encourage repurchase intention. Therefore, many SMEs want to improve sales performance by utilizing social media.

5. CONCLUSION

The study found that social media plays a vital role in increasing buyback intent on the same social commerce directly by developing marketing strategies focusing on the quality of value of social commerce services, resulting in a quality online shopping experience. In addition, providing quality services builds a positive image in customer interactions and generates a good image for social commerce, which is critical in building strong long-term relationships. By adopting these findings, SMEs are expected to direct their efforts towards more effective marketing efforts in the era of digital market competition. In addition, the study found that using social media significantly influences the sales performance of SMEs in social commerce. Overall, social media provides a powerful platform for SMEs to market their products, build strong customer connections, and improve sales performance in social commerce. Social media sites like Instagram, TikTok, Facebook, and Twitter allow SMEs to communicate with potential consumers directly, provide unique material, and respond quickly to comments. SMEs can use social media to strengthen their brand and increase customer awareness of their products. The final finding of the study is that understanding consumer preferences and behaviours gained through social media data analysis can help SMEs adjust their marketing strategies. In addition, live shopping features on various platforms allow customers to purchase directly, stimulating sales growth. More
personal and transparent interactions on social media help build closer relationships between SMEs and customers, resulting in higher trust and loyalty. SMEs can influence customers' purchasing decisions by engaging content such as customer reviews, product demo videos, and stories behind products.

In applying the implications of these findings, future studies must pay more attention to external factors that also have an essential influence, such as changes in technology trends that continue to move dynamically and shifts in consumer behaviour that continue to evolve. This study found that SMEs sales performance is not only influenced by the Use of social media, but several other variables also influence SMEs sales performance, namely service quality and social commerce service value. These findings can help SMEs direct marketing and sales strategies to achieve better results. Thus, future studies will contribute value to developing social media-based marketing strategies and helping SMEs achieve sustainable growth in the rapidly evolving digital era.

The research limitation of all survey respondents came from the Jakarta area and other areas around Jakarta, and most of their customers came from the surrounding area. For further research can be carried out with a wider range of respondents representing SMEs from all over Indonesia so that they can find out the diversity of buyer behavior in making purchases transactions via social commerce.

REFERENCES


APPENDIX

In this study, indicators of social media usage refer to studies conducted by Ali-Hassan and Nevo (2016) and Kamboj et al. (2017) consists of 5 statements on 7 point Likert type scale (1 — strongly disagree, 7 — strongly agree).

SMU1: Building new social relationships.
SMU2: Identify individuals with similar interests.
SMU3: Keep in touch with acquaintances and customers.
SMU4: Create and share content with customers.
SMU5: Access content generated by contacts and customers.

In this study, indicators of social commerce service value is a novelty variable that has not been published previously and consist of 6 statements on 7 point Likert type scale (1 — strongly disagree, 7 — strongly agree).

SCSV1: Speed of response of customer service team.
SCSV2: Reliability of social commerce payment systems.
SCSV3: Speed of transaction processing services on social commerce platforms.
SCSV4: Ease of use of social commerce platforms.
SCSV5: Clear product availability information.
SCSV6: The uniqueness of the product/service offered.

In this study, indicators of service quality refer to studies conducted by Yen and Lu (2008) consisting of 4 statements on 7 point Likert type scale (1 — strongly disagree, 7 — strongly agree).

SQ1: Allows me to complete transactions quickly.
SQ2: Protect my personal information from unauthorized access.
SQ3: The online site is well organized.
SQ4: Protecting information about my transactions.

In this study, indicators of repurchase intention refer to studies conducted by Chiu et al. (2009) and Sullivan and Kim (2018) consists of 5 statements on 7 point Likert Type scale (1 — strongly disagree, 7 — strongly agree).

RI1: Wishes to continue using this website to purchase products.
RI2: Will continue to purchase products from this website in the future.
RI3: Intend to continue purchasing products from this website in the future.
RI4: Return to purchasing products from the same website.
RI5: Want to reuse it on the website for future purchases.