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Using Social Media to Promote Student Entrepreneurship

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ABSTRACT

This study examines how students use social media as a business medium base. Using UTAUT model developed by Venkatesh, it shows factors that affect one's acceptance of information technology. There are four constructs/variables that affect behaviour of technology acceptance: performance expectancy, social influence, effort expectancy, and facilitating conditions. The research method is verification and explanatory survey. The study population is 21 student entrepreneurs of Universitas Pendidikan Indonesia who use social media as a business medium. Data is analysed using partial least square-path modeling (PLS-PM) using SmartPLS 3 software. The results indicate that UTAUT is a good model that proves performance expectancy, effort expectancy, social influence and facilitating conditions have a positive effect on behavior intention and implications on user behaviour. This means that student entrepreneurial behavior in using social media for business needs to focus performance.

Keywords: Behaviour of technology acceptance, business medium, social media, student entrepreneurship, UTAUT

INTRODUCTION

Young entrepreneurs today belong to the millennial generation. The Internet has changed the way they purchase items or materials. The number of Internet users in Indonesia has reached 70 million or 28% of the total population. Online merchants in Indonesia can win online customer loyalty by focusing their strategy on customer satisfaction and trust (Hidayat, Saifullah, & Ishak, 2016). Social media, namely Facebook users, account for about 50 million or 20% of the total population, while Twitter users reach 40 million or 16% of the total population which is showing a steady increase (Anggraeni & Purba, 2014). Social media have various features

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that can be utilised for promoting business. Promotion can be done through social networks that can remove the barriers of distance and time. Therefore, social media are increasingly popular among young businessmen for promoting their products. Harsono and Suryana (2014) stated that college students in Bandung city had high desire and intensity of using social media.

This research is based on the development of communication technology that facilitates easy communication in commercial activities. The presence of online media, especially in Indonesia, provides opportunities for student entrepreneurs for expanding their consumer market targets. It is because most students shop online. The students are consumers who prefer to shop online (Pebrianti, 2016).

Young entrepreneurs in the field of online and offline business, nowadays have been utilising technology primarily to attract consumers. Proper use of social media will attract consumers to buy products or use the services offered. Digital marketing in Indonesia is increasingly being used as a way to promote sales. Business activities can be done with the help of social media. In order to increase the number of students doing business through social media, it is necessary to understand the behavioural model of adaptation/acceptance of social media technology as a business medium for student entrepreneurs.

LITERATURE REVIEW

Engel, Blackwell and Miniard (2006) defined consumer behavior "as the direct action involved in getting, consuming and spending your products and services, including the decision process preceding and following on the move". Consumer behavior is an attitude or behavior which is shown or which arises in finding, purchasing, using, evaluating, and determining or choosing products, services, and ideas that they hope meet their needs. Consumer behavior in the purchase of products or services is influenced by many factors that interact with each other. The main dimensions that influence consumer behavior in the process of making a purchasing decision are: (1) individual differences; (2) effect of the environment; and (3) psychological process.

The UTAUT Model is a theory-based model developed by Venkatesh, Morris, Davis and Davis (2003) through their study on eight models/theories reception/ adoption of the technology, which are now widely used in the study of technology acceptance behavior. These theories are: Theory of Reasoned Action (TRA) (Davis, 1989; Sheppard, Hartwick, & Warshaw, 1988), Technology Acceptance Model (TAM) (Davis, 1989), Motivation Model (MM) (Davis, Bagozzi, & Warshaw, 1992; Vallerand, 1997; Venkatesh & Speier, 1999), Theory of Planned Behavior (TPB) (Ajzen, 1991; Harrison, Mykytyn, & Riemenschneider, 1997; Mathieson, 1991; Taylor & Todd, 1995), Combined TAM and TPB (C-TAM-TPB) (Taylor & Todd, 1995), Innovation Diffusion Theory (IDT) (Agarwal & Prasad, 1998; Karahanna & Straub, 1999; Moore & Benbasat, 1996;

Rogers, 1995; Thompson, Higgins, & Howell, 1991; Tornatzky & Klein, 1982; Vandenbosch, Hulland, & Plouffe, 2001), Social Cognitive Theory (SCT) (Badura, 1986; Compeau & Higgins, 2014; Compeau, Higgins, & Huff, 1999).

There are four constructs/variables into a direct determinant factor that is significant to the behavior of reception technology. In addition, these four variables serve as mediators which amplify the effect of the four main variables on the acceptance or use of Technology. The four mediators are gender, age, experience, and voluntariness. The research model was created by Venkatesh et al. (2003) as shown in Figure 1.

The UTAUT dimensions can be described as follows: Performance Expectancy, Effort Expectancy, Social Influences, Facilitating Condition, Behaviour intention, and Behavioural Use.

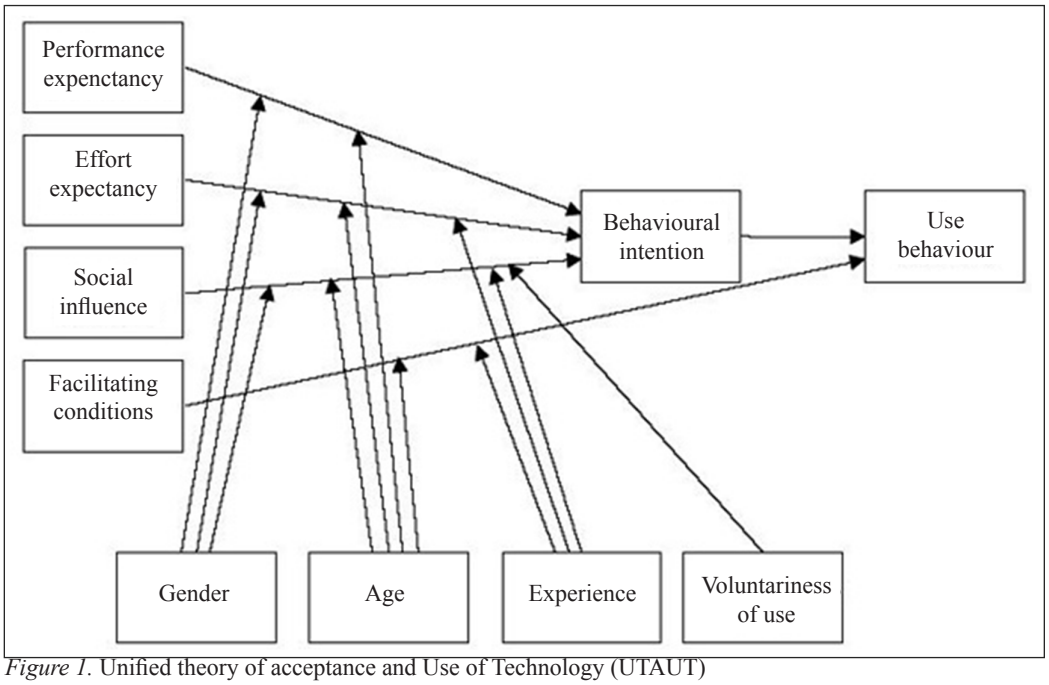

Figure 1. Unified theory of acceptance and Use of Technology (UTAUT)

MATERIALS AND METHODS

The research used a simpler UTAUT model. The original model of UTAUT is modified to be simpler as shown in Figure 2. This research is conducted to find out the adoption model of student entrepreneurial behaviour using social media as business media on student entrepreneurs at Universitas Pendidikan Indonesia who use social media as a business medium for minimum of three months up to three years. It used an

explanatory survey method and a purposive sampling method with the following criteria: 1) the selected students are entrepreneurs; 2) the student entrepreneurs use social media as a business medium; 3) the social media used include Facebook, Twitter, and Instagram. Respondents in this study are 121 student entrepreneurs of Universitas Pendidikan Indonesia who use social media as a business medium. The scale used is semantic differential 7 points while the instruments in this study are based on the UTAUT scale instrument developed by Venkatesh et al. (2003) adapted to the research context.

The object of research as the independent variable is Performance Expectancy (PE), Effort Expectancy (EE), Social Influence (SN), and Facilitating Condition (FC). The dependent variables are Behavioural Intention and Use Behavior. This research was conducted in less than one year. The research design used partial least square path-modelling (PLS-PM) analysis.

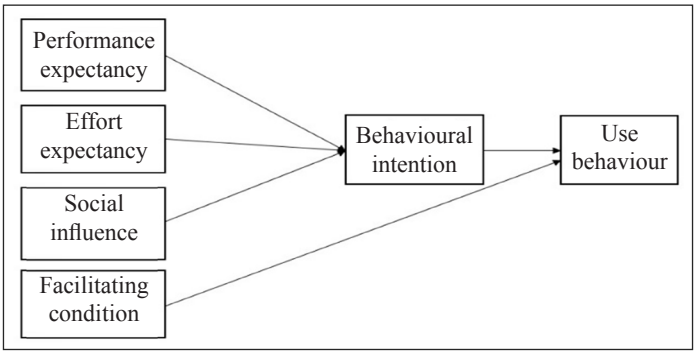

Figure 2. Research model

RESULTS AND DISCUSSION

The model was done through several stages, including Evaluation of Measurement Model (Outer Model), and Evaluation of Structural Model (Inner Model).

Evaluation of the Measurement Model

The measurement model was evaluated to see its relationship between the indicator and the latent variable (construct). The objective is to measure the validity and reliability of each indicator. The first three measurements are grouped in convergent validity.

Convergent Validity

Reliability item. Item reliability is commonly called the validity of the indicator. Here is the value of loading factor for PLS model (Table 1).

Based on the table above, it can be seen that each indicator that forms the construct of both indicators on the variables, such as performance expectation, effort expectancy, social influence, facilitating condition, behavioural intention, and user behavior already has a value of loading above 0.7. Hence, all the indicators are valid.

Table 1
Initial loading factor model value PLS

Indicator	Performance Expectation	Effort Expectancy	Social Influence	Facilitating Condition	Behavioural Intention	User Behaviour
PE1	0.96					
PE2	0.95					
PE3	0.96					
PE4	0.96					
EE1		0.97				
EE2		0.96				
EE3		0.97				
EE4		0.95				
SN1			0.95			
SN2			0.96			
SN3			0.95			
SN4			0.95			
FC1				0.94		
FC2				0.92		
FC3				0.93		
FC4				0.94		
BI1					0.98	
BI2					0.98	
BI3					0.98	
USE1						0.98
USE2						0.94
USE3						0.96

Composite reliability. The statistics used in composite reliability are Cronbach's alpha and D.G rho (PCA). Here is the value of composite reliability (Table 2).

Table 2 shows that the value of Cronbach Alpha and the value of composite reliability for the constructs of performance expectation, effort expectancy, social influence, facilitating condition, behavioural intention, and user behavior are above 0.7. Then, the constructs have high reliability or are reliable as a measuring tool.

Table 2
Composite reliability model PLS

	Cronbach Alpha	Composite Reliability
Performance Expectation	0.97	0.98
Effort Expectancy	0.97	0.98
Social Influence	0.97	0.97
Facilitating Condition	0.95	0.96
Behavioural Intention	0.98	0.98
User Behavior	0.96	0.97

Convergent validity. The valid convergent results through the Average Variance Extracted in Table 3.

Table 3 shows that the AVE value for each construct: expectations, work expectations, social influences, facilitation conditions, behavioural intentions, and usage behaviours, is above 0.5 which means that the construct is able to explain over half of the variance of the indicator.

Table 3
Convergent validity

	AVE
Performance Expectation	0.92
Effort Expectancy	0.92
Social Influence	0.91
Facilitating Condition	0.87
Behavioural Intention	0.96
User Behaviour	0.92

Discriminant Validity. Good discriminant validity will be able to explain the indicator variable by explaining the variant of other construct indicators. Table 4 presents the discriminant validity values for each indicator.

Based on Table 4, it can be seen that the factor of validity or weighting for BI1 - BI4 is higher with Behavioural Intention than other variables.

Table 4
Discriminant validity

Indicator	PE	EE	SN	FC	BI	USE
PE1	0.96	0.92	0.92	0.64	0.91	0.68
PE2	0.95	0.90	0.90	0.66	0.92	0.67
PE3	0.96	0.91	0.91	0.65	0.90	0.66
PE4	0.96	0.91	0.91	0.68	0.91	0.69
EE1	0.91	0.97	0.93	0.69	0.97	0.74
EE2	0.89	0.96	0.91	0.63	0.96	0.68
EE3	0.92	0.97	0.93	0.68	0.97	0.74
EE4	0.89	0.95	0.89	0.64	0.95	0.64
SN1	0.87	0.88	0.95	0.65	0.88	0.67
SN2	0.90	0.92	0.96	0.70	0.92	0.71
SN3	0.93	0.93	0.95	0.66	0.94	0.72
SN4	0.91	0.90	0.95	0.66	0.89	0.67
FC1	0.66	0.66	0.69	0.94	0.68	0.76

Table 4 *(continue)*

Indicator	PE	EE	SN	FC	BI	USE
FC2	0.66	0.66	0.66	0.92	0.69	0.72
FC3	0.62	0.61	0.63	0.93	0.64	0.70
FC4	0.63	0.64	0.65	0.94	0.65	0.71
BI1	0.94	0.94	0.95	0.72	0.98	0.73
BI2	0.92	0.92	0.92	0.66	0.98	0/71
BI3	0.93	0.95	0.94	0.72	0.98	0.74
USE1	0.91	0.74	0.74	0.79	0.76	0.98
USE2	0.71	0.67	0.68	0.69	0.68	0.94
USE3	0.64	0.67	0.68	0.75	0.69	0.96

Evaluation of Structural Model (Inner Model)

There are several stages in evaluating the model. The first is to look at the significance of the relationship between constructs. This can be seen from the coefficient path (path coefficient) which describes the strength of the relationship between constructs.

Path Coefficient. The sign in the path coefficient must be in accordance with the hypothesis.

Table 5 shows that the effect of Performance Expectancy on behavioural intention has t-value of 2.59 (>1.96) with significance level of 0.01 (<0.05). Therefore, Performance Expectancy has an effect on behavioural intention. The effect of effort expectation on behavioural intention has t-value of 3.14 (>1.96) with a significance level of 0.00 (<0.05). Hence, effort expectation construct has an effect on behavioural intention. Meanwhile, the effect of social influence on behaviour intention has an exchange rate of 2.12 (<1.96) with a significance level of 0.03 (<0.05). Statistically speaking therefore, Social Expectations construct has an effect on Behavioural Behavior. The influence of Facilitating Condition on Use Behavior has a t-value of 5.54 (<1.96) with a significance level of 0.00 (<0.05). Facilitating Condition construct statistically influences User Behaviour. Meanwhile Behavioural

Table 5
Path coefficient model PLS

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (lO/STDEVl)	P Value	Conclusion
PE -> BI	0.27	0.28	0.10	2.59	0.01	Ho Rejected
EE -> BI	0.42	0.41	0.13	3.14	0.00	Ho Rejected
SN -> BI	0.30	0.30	0.14	2.12	0.03	Ho Rejected
FC -> USE	0.50	0.51	0.09	5.54	0.00	Ho Rejected
BI -> USE	0.38	0.37	0.10	3.70	0.00	Ho Rejected

Intention on User Behavior construct has a t-value of 3.70 (<1.96) with a significance level of 0.00 (<0.05) which means the former has a significant effect on User Behavior.

Evaluate R^2. Table 6 shows how performance expectation, effort expectancy, social influence, and facilitating condition explain the behavior of intention and user behaviour.

Table 6
R^2 for PLS model

	R^2	R^2 Adjusted
Behavioural Intention	0.94	0.94
Use Behavior	0.67	0.67

Table 6 shows performance expectation, effort expectancy, and social influence explain the behavioural intention at 94% while the rest are influenced by factors not incorporated into the research model.

Construct facilitating condition and behavioural intention explain the user behavior at 67% while the rest are influenced by other constructs that are not included in the research model. The influence of each construct is shown in Figure 3.

Performance expectations, business expectations, social influences and facilitation conditions simultaneously influence behavioural intent. The strongest influence on behavioural intent are facilitating conditions and performance

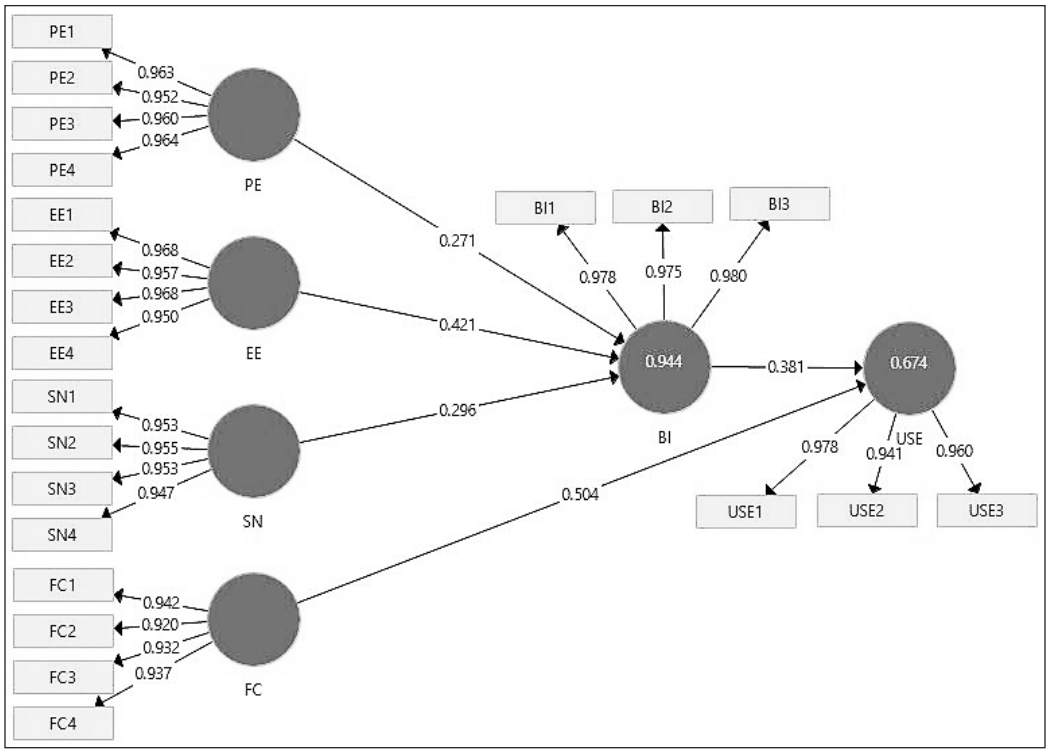

Figure 3. Structural model of research

expectations. Facilitating condition becomes an important variable for student entrepreneurs in improving online sales performance because facilitating condition is an objective factor that can facilitate an action. Misuse of access to support facilities will result in user behavior. In the facilitation conditions, the cost factor must be included because this will directly affect user adoption behavior (Qingfei, Shaobo, & Gang, 2008).

Effort expectancy is the second biggest contributing factor in influencing student entrepreneurial behavior, namely the use of social media technology in running a business. Providers of buying and selling sites that offer ease in the use of buying and selling systems are favoured by student entrepreneurs. Small businesses are less complex in terms of online communication to the consumers, which will appeal to entrepreneurs in the use of such systems, as it minimises their efforts in adopting e-commerce.

CONCLUSION

The findings of the research suggest that performance expectations, work expectations, and social influences have significant positive influences on behavioural intention. The greatest influence on intention behavior is work expectations and the least is performance expectations. This shows that social media as a business medium for student entrepreneurs are easy to use, learn and understand. The social media as a business medium for student entrepreneurs influence performance expectations, effort expectations, and social influence simultaneously in forming and influencing behavioural intentions. Similarly, facilitating condition and behavioural intention has a positive effect on user behavior. The greatest effect on user behavior is the by facilitating condition. This shows that in using social media as a business medium for student entrepreneurs, facilitating condition and behavior intention will significantly and positively influence the user behavior of social media as business media for student entrepreneurs.

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