IMPACT ANALYSIS OF INFORMATION QUALITY TOWARDS PURCHASE INTENTION THROUGH PERCEIVED VALUE AND TRUST ON KOVALEN COFFEE INSTAGRAM PROFILE

BY:
ANDREW BUDIANTO
3303014025

INTERNATIONAL BUSINESS MANAGEMENT DEPARTMENT
FACULTY OF BUSINESS
WIDYA MANDALA CATHOLIC UNIVERSITY SURABAYA
THESIS

IMPACT ANALYSIS OF INFORMATION QUALITY TOWARDS PURCHASE INTENTION THROUGH PERCEIVED VALUE AND TRUST ON KOVALEN COFFEE INSTAGRAM PROFILE

By:
Andrew Budianto
3303014025

Approved and Accepted
To be Submitted to the Panel Team

Advisor I,
Dr. Lydia Ari Widyarini, MM.
Date: 4/7/18

Advisor II,
Deatri Arumsari Agung, SE., M.Sc
Date: 4/7/18
VALIDATION PAGE

Thesis written by: Andrew Budianto NRP. 3303014025 has been examined on 10TH of August 2018 and declared PASSED by Panel Team.

Panel Team Leader:

[Signature]

Dr. Lydia Ari Widyarini MM.
NIK. 311.92.0183

Acknowledgement:

Dean of Business Faculty, Head of Management Department,

[Signature]

Dr. Lodovicius Lasdi, MM., AK., CA
NIK. 321.99.0370

Robertus Sigit H. L., SE., M.Sc.
NIK. 311.11.0678
AUTHENTICITY STATEMENT OF SCIENTIFIC PAPER AND PUBLICATION APPROVAL OF SCIENTIFIC PAPER

For the sake of knowledge development, I as a student of Widya Mandala Catholic University Surabaya:

I, the undersigned below:

Name               : Andrew Budianto
NRP                : 3303014025
Title              : Impact Analysis of Information Quality towards Purchase Intention through Perceived Value and Trust on Kovalen Coffee Instagram Profile

Acknowledge that this final assignment report is authentically written by me. If this paper is found as plagiarism, I am willingly take any sanctions from the Business Faculty of Widya Mandala Catholic University Surabaya. I also approve that this papers to be published on the internet (Digital Library of Widya Mandala Catholic University Surabaya) for academic importance to the extent of copyright law.

Thereby the authenticity statement and the publication approval that I made sincerely.

Surabaya, 08 July 2018
Stated by,

(Andrew Budianto)
FOREWORDS

All praises to God, for the abundant blessings and guidance so that the author was able to complete the thesis titled “Impact Analysis of Information Quality towards Purchase Intention through Perceived Value and Trust on Kovalen Coffee Instagram Profile”. This thesis is one of the requirements to obtain an Undergraduate degree of Business Management at Faculty of Business, Widya Mandala Catholic University Surabaya. During the writing process of this thesis, the author has received a great amount of help, guidance, and support from various sources. Moreover, the author would like to express gratitude to:

1. My family, who has endlessly encouraged and supported me in finishing this research.
2. Dr. Lodovicus Lasdi, MM., Ak., CA., as the Dean of Business Faculty at Widya Mandala Catholic University Surabaya.
3. Robertus Sigit Haribowo Lukito, SE., M.Sc., as the Head of Management Department at Widya Mandala Catholic University Surabaya.
4. Dr. Lydia Ari Widyarini, MM. as Advisor I, who have genuinely spent the time, effort, and have given a lot of advises, guidance for researcher.
5. Deatri Arumsari Agung, SE., M. Sc. as Advisor II, who have genuinely spent the time, effort, and have given a lot of advises, guidance for researcher.
6. Dr. Wahyudi Wibowo, ST., MM., as the Coordinator of IBM who have helped in overcoming problems in learning and teaching activities.

7. Friends of mine both in IBM and Management department of Widya Mandala Surabaya.

8. All administrative staff in Faculty of Business, Widya Mandala Catholic University Surabaya who have helped and provided information for thesis writing.

9. PT. Gelora Djaja Marketing Department for their understanding, sincerity, and support during the process of this thesis writing.

Although the final paper is completed, the author realizes that this thesis is not completely perfect. Therefore, critics and constructive advices from all parties are gladly accepted. In the end, the author hopes that this thesis will be able to bring knowledge and benefit the reader.

Surabaya, June 22, 2018
Researcher

Andrew Budianto
TABLE OF CONTENTS

COVER PAGE..............................................................................................................i
APPROVAL PAGE.......................................................................................................ii
RATIFICATION PAGE..................................................................................................iii
AUTHENTICITY STATEMENT AND PUBLICATION
APPROVAL OF SCIENTIFIC PAPER.................................................................iv
FOREWORDS..............................................................................................................v
TABLE OF CONTENTS..............................................................................................vii
LIST OF TABLES.........................................................................................................xi
LIST OF FIGURES........................................................................................................xii
LIST OF APPENDIXES...............................................................................................xii
ABSTRACT..................................................................................................................xiv
ABSTRAK....................................................................................................................xv

CHAPTER 1: INTRODUCTION
  1.1 Background of the Study.................................................................1
  1.2 Research Question.................................................................9
  1.3 Objective ......................................................................................9
  1.4 Significance of the Study.........................................................10
    1.4.1 Theoretical Benefit............................................................10
    1.4.2 Practical Benefit...............................................................10

CHAPTER 2: LITERATURE REVIEW
  2.1 Previous Research.............................................................11
  2.2 Theoretical Basis.............................................................15
    2.2.1 Purchase Intention.........................................................15
    2.2.2 Information Quality....................................................17
    2.2.3 Trust..............................................................................20
2.2.4 Perceived Value.................................23
2.3 Relationship among Variables.....................26
  2.3.1 Relationship between Information Quality
       and Perceived Value..........................26
  2.3.2 Relationship between Information Quality
       and Trust .....................................27
  2.3.3 Relationship between Information Quality
       and Purchase Intention .......................28
  2.3.4 Relationship between Perceived Value and
       Purchase Intention ...........................29
  2.3.5 Relationship between Trust and Purchase
       Intention ....................................30
2.4 Hypothesis.........................................31
2.5 Research Framework...............................32

CHAPTER 3: RESEARCH METHOD

3.1 Research Design....................................33
3.2 Variable Identification..............................33
3.3 Operational Definition.............................34
  3.3.1 Information Quality ............................34
  3.3.2 Perceived Value ...............................34
  3.3.3 Trust ..........................................35
  3.3.4 Purchase Intention ............................35
3.4 Variable Measurement..............................36
3.5 Type and Data Sources.............................36
3.6 Tools and Data Collection Method................37
3.7 Population, Sample and Sampling Technique……………………………………………………………37

3.8 Data Analysis ..........................................................38

  3.8.1 Measurement Model (Outer Model)…..39
  3.8.2 Measurement Model (Inner Model)......41
  3.8.3 Path Coefficient.................................43
  3.8.4 Hypothesis Testing.........................43

CHAPTER 4: ANALYSIS AND DISCUSSION

4.1 Respondent Characteristic .....................44

  4.1.1 Gender.........................................................45
  4.1.2 Age...............................................................46
  4.1.3 Occupation..............................................47
  4.1.4 Duration of Instagram Usage / Day……48
  4.1.2 Summary of Respondent…………………49

4.2 Respondent Response..............................50

  4.2.1 Information Quality........................................51
  4.2.1 Perceived Value........................................52
  4.2.1 Trust............................................................53
  4.2.1 Purchase Intention.................................53

4.3 Data Analysis.................................................54

4.4 Indirect Effect.................................................62

4.5 Hypothesis Testing..........................................62

4.6 Discussion.....................................................65
CHAPTER 5: CONCLUSION AND SUGGESTION

5.1 Conclusion....................................................69
5.2 Suggestion.....................................................71
  5.3.1 Suggestion for Academic Field............71
  5.3.2 Suggestion for Practical Use..............72

REFERENCES..................................................................74
APPENDIX...........................................................................81
# LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Classification of Small and Medium Enterprises</td>
<td>1</td>
</tr>
<tr>
<td>2.1</td>
<td>Comparison Between Previous Research</td>
<td>14</td>
</tr>
<tr>
<td>3.1</td>
<td>Rule of Thumb in Outer Model Measurement</td>
<td>41</td>
</tr>
<tr>
<td>4.1</td>
<td>Summary of Respondent’s Responses</td>
<td>49</td>
</tr>
<tr>
<td>4.2</td>
<td>Interval of Respondent’s Response</td>
<td>50</td>
</tr>
<tr>
<td>4.3</td>
<td>Respondent’s Response on Information Quality</td>
<td>51</td>
</tr>
<tr>
<td>4.4</td>
<td>Respondent’s Response on Perceived Value</td>
<td>52</td>
</tr>
<tr>
<td>4.5</td>
<td>Respondent’s Response on Trust</td>
<td>53</td>
</tr>
<tr>
<td>4.6</td>
<td>Respondent’s Response on Purchase Intention</td>
<td>54</td>
</tr>
<tr>
<td>4.7</td>
<td>Composite Reliability</td>
<td>55</td>
</tr>
<tr>
<td>4.8</td>
<td>Convergent Validity</td>
<td>56</td>
</tr>
<tr>
<td>4.9</td>
<td>Average Variance Extracted (AVE)</td>
<td>57</td>
</tr>
<tr>
<td>4.10</td>
<td>Discriminant Validity</td>
<td>58</td>
</tr>
<tr>
<td>4.11</td>
<td>Square Root AVE</td>
<td>59</td>
</tr>
<tr>
<td>4.12</td>
<td>R Square Value</td>
<td>60</td>
</tr>
<tr>
<td>4.13</td>
<td>R-Square Value</td>
<td>61</td>
</tr>
<tr>
<td>4.14</td>
<td>Path Coefficient</td>
<td>61</td>
</tr>
<tr>
<td>4.15</td>
<td>Indirect Effect</td>
<td>62</td>
</tr>
<tr>
<td>4.16</td>
<td>Hypothesis Testing</td>
<td>63</td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Indonesia Coffee Production</td>
<td>8</td>
</tr>
<tr>
<td>2.1</td>
<td>Updated D&amp;M IS Success Model</td>
<td>18</td>
</tr>
<tr>
<td>2.2</td>
<td>Technology Acceptance Model</td>
<td>21</td>
</tr>
<tr>
<td>2.3</td>
<td>Research Model</td>
<td>32</td>
</tr>
<tr>
<td>4.1</td>
<td>Respondent’s Gender Data</td>
<td>45</td>
</tr>
<tr>
<td>4.2</td>
<td>Respondent’s Age Group</td>
<td>46</td>
</tr>
<tr>
<td>4.3</td>
<td>Respondent’s Occupation</td>
<td>47</td>
</tr>
<tr>
<td>4.4</td>
<td>Respondent’s Instagram Usage / Day</td>
<td>48</td>
</tr>
</tbody>
</table>
# LIST OF APPENDIXES

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Research Questionnaire</td>
<td>81</td>
</tr>
<tr>
<td>2  Respondent Characteristic</td>
<td>85</td>
</tr>
<tr>
<td>3  Variable Descriptive Statistic</td>
<td>86</td>
</tr>
<tr>
<td>4  SMART PLS 3.0 Pictures</td>
<td>87</td>
</tr>
<tr>
<td>5  SMART PLS 3.0 Result</td>
<td>89</td>
</tr>
<tr>
<td>6  Respondent’s Questionnaire Data</td>
<td>93</td>
</tr>
</tbody>
</table>
Impact Analysis of Information Quality towards Purchase Intention through Perceived Value and Trust on Kovalen Coffee Instagram Profile

ABSTRACT

In the era of digitalization, information can be published in various media. Especially with the support of internet, information can be spread easily throughout the world. Companies from all kind of industries have started to utilize internet, especially Instagram to deliver information to customers, as its cost per exposure is very low. This also impacted small and business enterprise, as they can use Instagram as an efficient media to deliver information to customer.

The purpose of this study is to examine the impact of Information Quality towards Purchase Intention, through Perceived Value and Trust on Kovalen Coffee Instagram Profile. This research is a causal study which has five hypotheses to be tested. The data used in this research came from 193 respondents. The response from respondent is analysed with Structural Equation Model technique using SMART PLS 3.0 program.

The result of this study shows that Information Quality doesn’t have significant impact towards Purchase Intention. On the other hand, Information Quality has positive and significant impact towards Purchase Intention when mediated through Perceived Value and Trust. In addition, Information Quality do have positive and significant impact towards Perceived Value and Trust.

Keywords: Social Media Marketing, Information Quality, Purchase Intention, Perceived Value, Trust, Instagram
Analisis Dampak Kualitas Informasi terhadap Niat Beli melalui Persepsi Nilai dan Kepercayaan pada Profil Instagram Kovalen Coffee

ABSTRAK

Di era digitalisasi, informasi dapat dipublikasikan di berbagai media. Terutama dengan dukungan internet, informasi dapat menyebar dengan mudah ke seluruh dunia. Perusahaan dari semua jenis industri sudah mulai menggunakan internet, terutama Instagram untuk menyampaikan informasi kepada pelanggan. Hal ini terjadi karena karena biaya per eksposur penggunaan Instagram yang sangat rendah. Fenomena ini juga memberikan dampak terhadap usaha kecil dan menengah, karena mereka dapat menggunakan Instagram sebagai media yang efisien untuk menyampaikan informasi kepada pelanggan.


Kata kunci: Pemasaran Media Sosial, Kualitas Informasi, Niat Beli, Persepsi Nilai, Kepercayaan, Instagram

Kata kunci: Pemasaran Media Sosial, Kualitas Informasi, Niat Beli, Persepsi Nilai, Kepercayaan, Instagram