

The Influencing Factors for Business Start-up Intention in Social Media by UTAUT Perspective

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Keywords: Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Condition, Social Media.

Abstract: According to Sox et al. (2014), Millennials are rising to 75% of the worldwide workforce by 2025 and entrepreneurship is an interesting profession for Millennials. Millennials have been recognized as a distinct generation which has higher exposure to internet-based business platform namely social media. Social media has offered promising opportunities for business due to its flexibility and ability to reduce the complexity of business entry barriers compared to traditional business platform. It has attracted Millennials to utilize social media for business start-up especially for those who are interested to select entrepreneur as their profession. Hence, this study aims to examine factors that influence the acceptance and use of social media for business start-up. Result shows that partially, performance expectancy, effort expectancy, social influence and facilitating condition have significant influence on the behavioral intention to use social media for business start-up. Moreover, simultaneously performance expectancy, effort expectancy, social influence and facilitating conditions have a significant effect on the behavioral intention to use social media for business start-up.

1 INTRODUCTION

Millennials generation was born in the world of new technology and adjusted to various forms of information technology. They are well connected to the internet which is identified by the use and adoption of technology in their routine activity. Refer to the Indonesian Internet Service Providers Association (APJII), internet users in Indonesia in 2018 more 54.7% of the total population, where the highest composition falls were at ages group 19-34 years old.

The number of millennials has increased to 75% of the global workforce by 2025, their entrepreneurial mindset has the potential to create employment in the coming year (Sox et al., 2014). The Millennium predicts entrepreneurship as an attractive life path. Millennial as a digital generation is familiar with social media. Almost 47% of smartphone owners visit social media platforms every day. Users are now increasingly using their smartphones to access social media platforms (Nielsen, 2014). This has created profitable business opportunities for Millennials who are interested in choosing entrepreneurs as their career path.

Nevertheless, among Millennials, there is restricted research which peculiarly investigate the intention to use social media for business start-up. Previous research focused on the behavioral intention to use internet marketing among entrepreneurs (Tan et al., 2013) rather than the social media for business start-up. Consequently, the focus of this research is to analyze factors that influence the acceptance and use of Social media for business start-up.

1.1 Research Aim

This study aims to examine factors that influence the acceptance and use of social media for business start-up.

2 LITERATURE REVIEW

2.1 Unified Theory of Acceptance and Use of Technology (UTAUT)

Venkatesh et al. (2003) suggest the UTAUT and has become a common model applied by scholars in examining the intention and use of behavior towards

technology (Chua et al., 2018; Tan et al., 2012; Latif et al., 2011). Adoption of technology with UTAUT theory derives with the theory of Diffusion of Innovation (DOI), Social Cognitive Theory (SCT), Theory of Planned Behavior (TPB) and Technology Acceptance Model Theory (TAM). These theories create four key constructs that influence behavioral intentions and use behavioral. The four constructs involve performance expectancy, effort expectancy, social expectancy, and facilitating conditions.

2.2 Social Media

Social media is the media used by consumers to share text, images, sound, and video information both with others and companies and vice versa (Kotler and Keller, 2016). Some social media sites that are popular today include Instagram, Twitter, Facebook, and YouTube. The use or utilization of social media is divided into two, namely: 1) Social Media increases the power of individuals by providing higher roads without excessive support from users (Curran & Lennon, 2011). 2) Using Social Media, can help or restore relationships between new and old users, and develop communities that collaborate to facilitate problems and solutions for themselves and their business (Meredith & O'Donnell, 2011). 3) Social Media platforms have large audiences because of their networking and community mobilization capabilities and this creates an opportunity for businesses to promote and sell products or services directly to these users. 4) These revenue/business models used by social media are very new approaches, and more empirical research is required to optimize these model for better returns (Rathore and Ilavarasan, 2017)

Indicators of social media according to Mayfield (2008) are 1) participation, social media encourages contributions and feedback from everyone interested. 2) openness, most social media services are open for feedback and participation. They encourage voting, comments and the sharing of information. 3) conversation, whereas traditional media is about "broadcast" (content transmitted or distributed to an audience) social media is better seen as a two-way conversation. 4) community, social media allows communities to form quickly and communicate effectively. Communities share common interests, such as photography, political issues or favorite television and radio programs. 5) connectedness, most kinds of social media thrive on their connectedness, making use of links to other sites, resources, and people.

2.3 Millenials

People born between 1980 and 2000 is called the millennial generation(Lloyd et al. 2013). They are labeled as Nexters, Generation Y, and the Nexus Generation (Twenge, 2011). It is bigger than 25 % of Millenials have a job whiches not required the education level they have possessed. Millenials have demonstrated the interest to create their job such as starting up a new business. (Intuit Canada, 2013)

Ng et al. (2010) investigated about perceive career decision making of Millenials and found that they wish to have a different path of career than the past generation. They prefer employers who support the progress along the career path by providing training. While Gursoy et al. (2013) discovered millenials highlight work-life balance, desire good payment and benefits, as well as hope for the potential of rapid career advancement, a fruitful working experience. Those combinations create entrepreneurship as a favored option for Millenials.

2.4 Performance Expectancy

Brown et al. (2016), performance expectancy can be defined as the belief of a person on how much the technology will be beneficial for the increase of performance. Al-Gahtani et al. (2007) produced evidence that performance expectancy has a significant role in influencing the behavioral intention of teachers to utilize digital learning apps since it eases their job and enhance the effect of education. Among all the determinant factors of behavioral intention to apply mobile apps, it was proved that performance expectancy is the strongest determinant (Chong, 2013). The similar result by Wong et al. (2015) found that performance expectancy would influence the behavioral intention significantly as well as the use behavior for adopting the technology. Therefore, the following hypothesis is proposed:

H₁: Performance expectancy has a significant effect on the behavioral intention to use social media for business start-up.

2.5 Effort Expectancy

Venkatesh et al. (2012) proposed that effort expectancy is the amount of ease linked with the use of certain technology and acknowledged as a crucial factor to determine the user's behavioral intention to use the technology(Wong et al., 2015). In addition, Zhou et al. (2010) stated there is a direct association between effort expectancy and behavioral intention

based on UTAUT constructs. The lesser the effort to understand that technology the higher the user's adoption of that technology. A study from Yang (2015), analyzing young consumer's behavioral intention of mobile shopping apps. Results showed that effort expectancy was able to predict the adoption of mobile apps positively. There are three constructs namely perceived ease of use, complexity, and ease of use.

H₂: Effort expectancy has a significant effect on the behavioral intention to use social media for business start-up.

2.6 Social Influence

Social influence significantly affects the behavioral intention of users to adopt mobile commerce (Chong, 2013). As conveyed by Martin and Herero (2012), an individual is likely to follow the opinion and behavior of their respected group. Venkatesh et al. (2013) explains social influence as the degree to which of a person care to the perception of others who are essential for that person. Young adults who desire social acceptance will be affected by their peers instead of family members in terms of the intention to use mobile apps (Taylor et al., 2011), especially in social networking apps in comparison with other mobile apps (Kucukemiroglu and Kara, 2015).

H₃: Social Influence has a significant effect on the behavioral intention to use.

2.7 Facilitating Condition

Facilitating conditions is a vital factor for entrepreneurs to use IT innovation in the market. Entrepreneurs tend to have higher interest to use the technology if the infrastructure and special training support are available. Technology with outstanding user interface, simple access, navigation, and searching are among the requirement of facilitating condition that should exist which will support the usage of internet marketing (Fang and Salvendy, 2003); Siddiqui et al, 2003; Yang, 2010), specifically when the guidance is properly supplied. Other importantly conditions namely cost and other resources linked with the usage, as well as the prior knowledge that should be possessed by the user before using internet marketing. These are essential factors of facilitating, conditions which influence behavioral intention (Ajzen, 1991; Taylor and Todd, 1995). Based on those reasons, the following hypothesis is:

H₄: Facilitating condition has a significant effect on the behavioral intention to use social media for business start-up.

2.8 Behavioral Intention to Use Social Media for Business Start-up

Aula (2010: 43) defines SM as a place where customers can communicate directly with their favorite organizations and collect more information about the organizations' products instead of simply providing a platform for individuals to keep related with their family and friends. Behavioral intention in this study is defined as the users' intention rather than the actual use of social media. Behavior intention is the intention to use social media in the near future over the traditional business start-up. According to Saphero (1982); Krueger and Brazel (1994), Intention is an individual's desire to pursue a given behavior and represent an individual's commitment toward a specific behavior. In this study, behavior intention refer to the degree to which Millennials plan to use social media for business start-up.

3 METHOD

The type of this research is a case study located in University of Sumatera Utara. The population in this research is 894 students from the Faculty of Economics and Business and Faculty of Public Health batch 2017 in the University of Sumatera Utara that had already received entrepreneurship courses. All of the university students can be categorized as Millennials, born from 1980-2000. As these faculties have an entrepreneurship curriculum and the students are willing to be entrepreneurs. Samples are selected by utilizing the simple random sampling. A simple random sample is a subset of a statistical population in which each member of the subset has an equal probability of being chosen. The number of samples is 276 Millennials by using slovin method.

This research used two types of data resources, which are: (1) Distribution of Questionnaires, and (2) Documentations Studies. Multiple linear regression analysis is used as data analysis technique to discover the influence of the independent variables, which are Performance Expectancy (X₁), Effort Expectancy (X₂), Social Influence (X₃), and Facilitating Condition (X₄) to the dependent variable that is Behavioral Intention to Use Social Media for Business Start-Up (Y). Also, this research is using descriptive statistical analysis method.

4 RESULTS AND DISCUSSION

Table 1: Characteristics of Respondents.

		Frequency	%			
Business Experience	Yes	108	39.1			
	No	168	60.9			
Total		276	100			
Duration of Social Media Use for Shopping	0 – 1 Year	0	0			
	1,1 Years – 2,1 Years	15	5.4			
	2,2 Years – 3,2 Years	7	2.5			
	3,3 Years – 4,3 Years	8	2.9			
	4,4 Years – 5,4 Years	52	18.8			
	5,5 Years – 6,5 Years	29	10.5			
	6,6 Years – 7,6 Years	59	21.4			
	7,7 Years – 8,7 Years	45	16.3			
	8,8 Years – 9,8 Years	15	5.4			
	9,9 Years – 10,9 Years	46	16.7			
	Total		276	100		
		SHOPPING FROM SOCIAL MEDIA	SELLING FROM SOCIAL MEDIA			
No	Social Media	Frequency	%	Frequency	%	
1	Facebook	Yes	51	18.5	30	10.9
		No	225	81.5	246	89.1
2	Twitter	Yes	7	2.5	0	0
		No	269	97.5	276	100
3	Instagram	Yes	105	38.0	104	37.7
		No	171	62.0	172	62.3
4	Etc.	Yes	82	29.7	15	5.4
		No	194	70.3	261	94.6

Table 1 demonstrates that the majority of millennials have used social media for shopping for more than 6.5 years at 59.8% (165 peoples). The majority of social media users through Instagram, while the lowest rank uses Twitter. In making purchases, millennials prefer to use Instagram to sell compared to other social media applications.

Table 2: The Result of Multiple Linear Regression Analysis.

No	Variables	Coefficients	t-Values	Significant
1	Constant	-0.417	-0.528	0.598
2	Performance Expectancy (PE)	0.486	8.469	0.000
3	Effort Expectancy (EE)	0.084	2.266	0.024
4	Social Influence (SI)	0.184	3.461	0.001
5	Facilitating Condition (FC)	0.036	1.019	0.309
6	$R^2 = 0.630$			
7	(F-Statistic = 118.263)			0.000

It is found the Multiple Regression Analysis Model is:

$$Y = -0.417 + 0.486PE + 0.084EE + 0.184SI + 0.036FC + e$$

Table 2 shows the two predictor variables, partially Performance Expectancy (Sig. = 0.000 < 0.05), Effort Expectancy (Sig. = 0.024 < 0.05), and Social Influence (Sig. = 0.001 < 0.05) are significantly affecting Behavior Intention to Use Social Media for Business Start-Up. On the other hand, the remaining one variable, which is Facilitating Condition (Sig. = 0.309 > 0.05) is insignificantly contributing to Behavior Intention to Use Social Media for Business Start-Up. The coefficient determination of this research is 0.630, which means that Performance Expectancy, Effort Expectancy, Social Influence, and Facilitating Condition contributed 63% to explain Behavior Intention to Use Social Media for Business Start-Up. While the remaining 37% is explained by other variables.

Table 3: Summary of Hypothesis Tests.

Hypothesis No.	Statement	Decision
H ₁	Performance Expectancy has a significant effect on the behavioral intention to use social media for business start-up	Supported
H ₂	Effort Expectancy has a significant effect on the behavioral intention to use social media for business start-up	Supported
H ₃	Social Influence has a significant effect on the behavioral intention to use social media for business start-up	Supported
H ₄	Facilitating Condition has a significant effect on the behavioral intention to use social media for business start-up	Not Supported

Partially, performance expectancy, effort expectancy, and social influence have a significant effect on the behavioral intention to use social media for business start-ups. Meanwhile, another variable, namely facilitating conditions, does not significantly influence behavioral intention for the use of social media in starting a business.

Result indicates that performance expectancy significantly influences behavioral intention by utilizing social media in accordance with research by Al-Gahtan et al. (2007). This proves that millennials consider that using social media will facilitate them in starting a business, which will certainly support productivity and efficiency in business management when they run their businesses.

The effort expectancy variable also significantly influences behavioral intention by utilizing social media in accordance with research by Zhou et al. (2010). This shows that social media is a technology that is easy to use, and not complicated so it does not require much effort to use it. Therefore, it is very reasonable to find from the results of research that effort expectancy in millennial generation has a significant effect on behavioral intention in starting a business by utilizing social media.

Based on Chong (2013), social influence influences behavioral intention to adopt Mobile Commerce technology. This is consistent with the results of research in which social influence also influences behavioral intention to start a business by utilizing social media. As Martin and Herero (2012) pointed out, a person tends to follow the opinions and

behavior of a group of people whom he considers to have an effect on him. Especially for the younger generation who are very influenced by the opinions of friends and family members in terms of the use of social media that can be used in starting a business.

Facilitating condition is an important factor in a person's behavioral intention to adopt a technology such as social media. Some important facilities such as cost, ease of navigation, search engines, and easy access can influence a person's confidence to adopt a technology (Ajzen 1991; Taylor and Todd 1995). However, the results of this study indicate different things where facilitating conditions do not significantly influence behavioral intention in starting a business by utilizing social media. Almatari et al. (2012) and William et al. 2015 states that in several previous studies facilitating conditions are not variables that can influence one's behavioral intention when performance expectancy and effort expectancy exist. So it can be explained that today's young generation can take advantage of social media without depending on the user manual.

5 CONCLUSION

The conclusion of this research is performance expectancy, social influence and effort expectancy have a significant effect on the behavioral intention to use social media for business start-up. Meanwhile, facilitating condition is insignificantly affecting the behavioral intention to use social media for business start-up. Also, simultaneously performance expectancy, effort expectancy, social influence and facilitating conditions have a significant effect on the behavioral intention to use social media for business start-up.

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