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The Effect of Online Trust and Repurchase Intention on Consumer Behavior in Online Shopping at E-Commerce

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Abstract

The purpose of this study was to determine the effect of Online Trust and Repurchase Intention on consumer behavior in Online Shopping at E-Commerce. This study investigates five factors; Perceived Risk, Perceived Usefulness, Website Appearance, Online Promotion, Security. The data collections technique was carried out using a questionnaire and distributed through online social media. This study used 356 respondents. Data was analyzed using PLS-SEM. The results of this study shown that Perceived Risk, Website Appearance, Security, and Online Promotion has a significant relationship to Online Trust. Perceived Usefulness had a negative effects on Online Trust. This study also confirm that Perceived Risk, Perceived Usefulness, Website Appearance, Security, and Online Promotion has a positive impact on Repurchase Intention. Lastly, Online Trust influences Repurchase Intention in E-Commerce.

Keywords: E-Commerce, Repurchase Intention, Perceive Usefulness, Perceived Risk, online Trust

Introduction

In this industrial era right now, people are facilitated with easy access to buy products and services according to their wishes and needs. Humans can take advantage of information and communication technology through mobile phones by using the internet and opening many E-Commerce sites to search, buy, or sell services or products. E-commerce makes everything very easy for humans to shop because they don't have to go to a physical store, they only need to open their mobile phones and visit the E-commerce and search for keywords from the items they need and they want. When buying online products, of course, people have built confidence when they have an interest in online purchases. Trust is an important factor in buying and selling products online. The rise of fraud that occurs has resulted in someone being reluctant to buy products online and choosing to look for physical stores that sell the goods they need. Online trust is a factor in attracting consumers to make online purchases on e-commerce sites that are third parties between sellers and buyers. The times have also changed various aspects of life, including consumer behavior. The increase in internet users is a potential market for sellers because they use the internet as a means of shopping which makes it very easy to buy any goods. Indonesian people are very enthusiastic about shopping online, this is evidenced by the results of the We Are Social survey in April 2021 that 88.1% of internet users in Indonesia already operate e-commerce services to buy products online.



Figure 1. Top 10 contries with the highest proportion E-Commerce usage in the World.

Source: (Databoks.katadata.co.id, 2021)

Customer satisfaction is an important factor in consumer loyalty and trust in the e-commerce they visit. They can trust E-commerce when E-commerce helps them out of the confusion they face and makes these customers loyal and their repurchase interest is high. This is one of the driving factors for the development of the Internet around the world. The use of the internet has become a lifestyle for most of the world's population, including Indonesia. With different shopping conveniences as well as the types of products and services offered, online stores have become one of the new "shopping places" for Indonesian people besides malls. Consumer trust is also based on perceived risks and benefits. E-commerce is very useful and makes it easier for customers to buy an item or find a store that can provide the maximum possible service. However, there are indeed many risks that can occur when buying products on the internet such as products not being delivered after making payment, products that are different from the picture, incomplete products, products that do not match. Therefore, the trust system is the main asset of all online buying and selling transactions, because buyers cannot meet directly with sellers.

Literature Review

a. Perceived Risk toward Online Trust

Consumers worry that the products or services they buy on the internet may not provide the expected benefits or they fear that they will face unforeseen dangers when they make online transactions (Glover & Benbasat, 2010). This research is supported by research by (Ashghar & Nurlatifah, 2020) stated that Perceived Risk had a significant positive effect on Trust.

b. Perceived Usefulness toward Online Trust

Online trust has been perceived as a significant element of perceived usefulness. (David et al., 2003) stated that trust should increase the perceived usefulness of interaction through a web site by increasing the primary benefit. Trust is an important aspect when you want to shop online, many customers are deceived when buying online groceries, this will be fatal to customer trust. Even though there are so many benefits that we feel when shopping online. For example, we don't need to leave the house to search from store to store to get the item we are looking for. By typing the keyword of the item, the E-Commerce will display various recommendations for the item being searched for. This research is supported by research by (Lukito & Ikhsanb, 2020) (Larasetiati & Ali, 2019), (Ashghar & Nurlatifah, 2020), (Keni, 2020) which states Perceived Usefulness has a significant positive effect on Trust.

c. Website Appearance toward Online Trust

The appearance of the website is a factor for customers to choose the available E-Commerce. Website design refers to the visual appeal when customers use the application. The appearance of the

website can be considered as a self-presentation of the website. When customers feel that the website they are visiting is very easy to apply and makes it easier for customers to get the product they are looking for, the customer will feel confident about the website they are visiting. This research is supported by research by (Zhu et al., 2020)

d. Security toward Online Trust

Security is considered as one of the important aspects of trust in online shopping in E-commerce. The increase in trust is strongly influenced by consumers feeling safe to use the system provided by the website (Salimon et.al., 2015). Advanced technology that can prevent consumers from high risks such as fraud and account hacking. It is technically based security mainly tries to avoid illegal access of data, minimizes misuse of data and ensures secure data storage on servers or computers (Shalhoub, 2006; Ponirin, 2011). This research is supported by research by (Annisa Islam & Ezni Balqiah, 2021), (Larasetiati & Ali, 2019).

e. Online Promotion toward Online Trust

Online promotion is a marketing method or strategy used by sellers to get or attract new customers and encourage customers to buy because they feel interested in what they have promoted. Online promotion can be done with many things such as making product videos, creating product catalogs so that buyers are interested.

f. Perceived Risk toward Repurchase Intention

Perceived risk is an important factor in determining consumer repurchase, although perceived risk is known as a determining factor influencing future purchase intentions. The many risks that exist affect the repurchase of consumers because when they get the right goods, not defective or damaged and so on, they will make Repurchase Intention at the e-commerce because they get the right goods as marketed and desired. This research is supported by research by (Yeo et al., 2021)

g. Perceived Usefulness toward Repurchase Intention

According to Fred et, al (1989)it was stated that shoppers would only use online sites for shopping if they believed that using these online sites could help performance or benefit users. This research is supported by research by (Larasetiati & Ali, 2019), oleh (Ashghar & Nurlatifah, 2020), (Tehreem, 2016), (Keni, 2020).

h. Security toward Repurchase Intention

Security is considered as one of the main obstacles to the growth of online business. He is one of the main concerns of consumers due to fraudulent activities carried out online, such as eavesdropping on personal and financial information (Lee and Sorban, 2001).

i. Website Appearance toward Repurchase Intention

Website appearance toward repurchase intentions because when customers understand how to operate and don't make it difficult for customers, they will be addicted to making e-commerce available when they need goods effectively through an existing website. This is very important because nowadays, online shopping is not only for teenagers but all ages can already operate e-commerce applications from children who are still in elementary school to the elderly. They will learn to use websites to make it easier for them to find the things they want. This research is supported by research by (Tandon et al., 2017).

j. Online Promotion toward Repurchase Intention

Online promotion will keep customers interested continuously because they will watch marketing videos made by sellers and will make repeated purchases. Especially if they feel suitable and are always interested in the goods that have been purchased. This research is supported by research by (Adelia, 2018)

k. Online Trust toward Repurchase Intention

The quality of the relationship between buyers and sellers can only emerge if the previous interactions were favorable so that there is a possibility of future repurchases (Zhang et, al., 2011). Trust is a belief that can positively influence a person's desire to manage online activities. The trust that arises will make customers make repeat purchases because they feel that the seller will not disappoint.

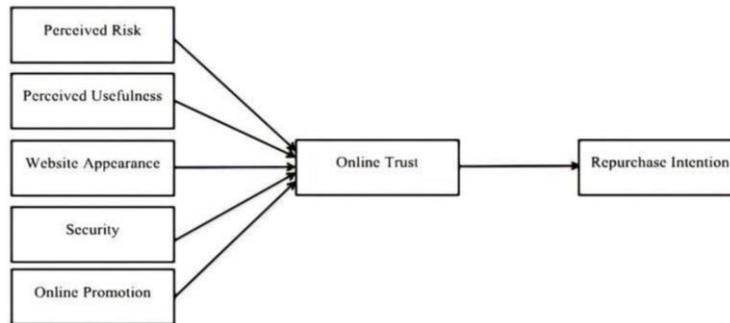


Figure 2. Theoretical Research

Repurchase Intention

Repurchase Intention by online customers is of concern to academics and practitioners because it is considered a critical success factor in online retail and affects cost savings and profits for online merchants (Chiu et, al., 2009). Repurchase Intention can be made when customers have purchased and give the E-commerce their trust. Repurchase intention according to Kotler (2015) is consumer behavior to decide whether to buy a product. In the buying process, this purchase intention or repurchase is closely related to the motivation to use or buy certain products. The motivation for this purchase varies from customer to customer. Customers choose products that include features they believe are relevant to their needs.

Table 1. Measurement

Construct	Item
Perceived Risk	I want to purchase products online, i fear that the purchase is overpriced.
	I fear wasting time when shopping online.
	I fear not getting the desired results when i want to purchase products or services online.
	I am fearful that the products bought online will not be what i want.
Perceived Usefulness	Using this E-Commerce site can increase my shopping performance.
	Using this E-Commerce site can increase my shopping productivity.
	Using this E-Commerce sites is useful.
Online Promotion	I like to buy products that are promoted online.
	I feel interested when see promotion online.
Security	E-Commerce security features are very important as a decision to buy products online.
	Important for E-Commerce to have third-party payment gateway security.
	E-Commerce protects my financial information.
Website Appearance	Overall, the E-Commerce appearance Works well.
	E-Commerce appearance is able to provide complete information about the products.
	E-Commerce appearance make me easy to communicate with the seller.

Trust	Based on my knowledge with E-Commerce merchants in the past, i know this site is fair. Based on knowledge, i want to continue to accept E-Commerce merchants to buy products because they care about customers. Based on my knowledge with E-Commerce merchants in the past, i know they fulfill their promises to customers. According to my knowledge with E-Commerce merchants in the past, i know this store can be trusted.
Repurchase Intention	If pleasant, I want to continue with e-commerce merchants to buy product I will likely continue to buy products from e-commerce merchants in the future I think to continue to buy products from e-commerce merchants in the future I will revisit e-commerce merchants to buy products in near future

Research Methods

a. Questionnaire

This study began by distributing questionnaires to the people of Batam City. A self-administered questionnaire was selected for the survey.

It consists of seven components: (1) measuring "Repurchase Intention" with four questions adapted from (Lukito & Ikhsanb, 2020); (2) four items were created to observe "Perceived Risk" from (Lukito & Ikhsanb, 2020); (3) "Perceived Usefulness" with three questions fitted (Larasetiati & Ali, 2019); (4) three questions were used to measure "Website Appearance" by (Bernarto et al., 2019); (5) three items to "Security" adapted from (Larasetiati & Ali, 2019); (6) three questions of Online Promotion adapted by (Chang et al., 2013; Kim et al., 2011); (7) also four questions of "Online Trust" adapted from (Lukito & Ikhsanb, 2020). A five-point Likert scale questionnaire was posted on Instagram stories and sent by email to collect data. After more than a month, a total of 376 questionnaires were collected. However, only 356 correctly completed questionnaires were used in this paper.

b. The Data Analysis Process

Firstly, descriptive statistics were used to highlight the respondent profiles.

Table 2. Profile of responden (N= 356)

Category		Number of samples	percentage
Gender	Female	190	53,4%
	Male	166	46,6%
Age	17-20	123	34,6%
	21-25	206	57,9%
	26-30	23	6,5%
	31-35	2	0,6%
	36-40	1	0,3%
	>40	1	0,3%
Frequently used E-Commerce as Online Shopping	Shopee	295	82,9%
	Lazada	10	2,8%
	Tokopedia	49	13,8%
	Bukalapak	2	0,6%
How often using E-commerce in a month	1-2 times	124	35,1%
	3-5 times	104	29,2%
	5-10 times	31	8,7%

More than 10 times 96 27%

Results and Discussion

a. Respondent profile

As shown in the demographic, the survey dominated by Female at 53,4%. This data show that respondents aged 21 till 25 years who use E-Commerce the most for online shopping activities. The table also indicates that majority respondent (82,9%) are using Shopee as E-Commerce. And most of them using the E-Commerce for 1-2 times a month to buy something from online shopping.

Tabel 3. Validity, Reliability and AVE Result

Variable	Items	Outer Loading	Composite Reliable	AVE
Perceived Risk	PR1	0,841	0,868	0,623
	PR2	0,847		
	PR3	0,731		
	PR4	0,730		
Perceived Usefulness	PU1	0,789	0,772	0,532
	PU2	0,747		
	PU3	0,643		
Online Promotion	OP1	0,843	0,824	0,700
	OP2	0,831		
Security	S2	0,728	0,785	0,559
	S4	0,695		
	S5	0,759		
Website appearance	WA1	0,753	0,792	0,549
	WA3	0,711		
	WA3	0,777		
Trust	T1	0,770	0,843	0,574
	T2	0,705		
	T3	0,783		
	T4	0,769		
Repurchase Intention	RI1	0,704	0,814	0,523
	RI2	0,657		
	RI3	0,751		
	RI5	0,775		

Source: Author's Interpretation

The research test of validity, reliability and AVE through SmartPLS so that resulting data is accurate.

The table 2 show that item outer loading ranged from 0.730 to 0.847 for Perceived Risk, 0.643 to 0.789 for Perceived Usefulness, 0.843 and 0.831 for Online Promotion, 0.695 to 0.759 for Security, 0.711 to 0.777 for Website Appearance, 0.705 to 0.783 for Trust and 0.657 to 0.775 for Repurchase Intention. All of Composite Reliability (CR) are above 0.7. Also, all of the construct have the Average Variance Extracted (AVE) values greater than 0.5 (Fornell & Lacker 1981).

Table 4. Path Coefficient Direct Effect

	T-Statistics	P-Values	kesimpulan
Online Promotion → Repurchase Intention	2.991	0.003	Supported
Online Promotion → Trust	2.822	0.005	Supported

Perceived Risk → Repurchase Intention	1.991	0.047	Supported
Perceived Risk → Trust	3.095	0.002	Supported
Perceived Usefulness → Repurchase Intention	2.006	0.045	Supported
Perceived Usefulness → Trust	2.104	0.035	Supported
Security → Repurchase Intention	0.943	0.346	Not Supported
Security → Trust	3.443	0.001	Supported
Trust → Repurchase Intention	4.767	0	Supported
Website Appearance → Repurchase Intention	3.471	0.001	Supported
Website Appearance → Trust	6.359	0	Supported

Source: Author's Interpretation

Based on table 4 above, in between variables can be said to be significant if it has P-Values less than 0.05 and T Statistics values above 1.96 (Hair et al., 2011). Based on the table, there is 1 relationship doesn't have significant relationship, the relationship between security to repurchase intention because the T-Statistics is less than 1.96 and the p-values is more than 0.05.

Table 5. Path Coefficient of Indirect Effect

Indirect Effect	T Statistics	P values	Kesimpulan
Perceived Risk → Trust → Repurchase Intention	2,577	0,01	Supported

Source: Author's Interpretation

Based on table 5 that shown that indirect effect between Perceived Risk on Repurchase Intention through Online Trust have a significant value. The T-Statistics is 2.577 which means the value is above 1.96 and the p-values is 0.01 is less than 0.05.

Table 6. The Results of R Square

Variabel	R Squares	P values
Repurchase Intention	0,570	0,000
Trust	0,660	0,000

Source: Author's Interpretation

Based on table 6, R Squares value of Repurchase Intention shows the results where the Repurchase Intention variable is 0.570. The conclusion in this test is that the repurchase intention variable is explained by 57% by all independent variables which means PR, PU, OP, WA and 43% is explained by other variables that are not in this model. In accordance with the criteria Hair et, al. (2019) indicates the results in the Strong category because the value is above >0.50.

Conclusions

Based on the research that has been done, the authors conclude that it can be seen in this study that Perceived Risk has a direct and significant effect on Trust, Perception of Usefulness has an influence and is significant on Trust, Online Promotion has an influence and is significant on Trust, Website Appearance has an influence and is significant direct significance to the Trust and Security has direct influence and significance to the Trust. Trust can eliminate bad perceptions of the risks that customers will experience when making online transactions. Customer trust will be created when the seller provides the best possible service and will increase the consumer's tendency to repurchase. In this study, there are also many limitations such as deficiencies. In the statistical results there are question items that cannot be used because the test model (outer) does not meet the criteria, so the indicator or question must be removed and cannot be used. This research still needs many supporting journals between one variable and another.

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