

Analysis Of The Influence Of Perceived Risk And Trust On Customers' Purchase Intention At Tokopedia.Com

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Abstract:

E-retailing, sometimes known as online shopping, is the practice of purchasing or selling things using the internet. People's preferences for making purchases or shopping online can be influenced by a variety of factors, including psychological, social, emotional, and privacy-related ones. Determining the impact of perceived risk and trust on intentions to shop online is the goal of the study. Multiple regression analysis is a quantitative method used in this study. The study's target population consists of online shoppers who have completed at least one online purchase within the past year. One hundred persons made up the study's sample. This study employed non-probability sampling as its method of sampling. A scale specifically designed to gauge intentions for online buying was created independently and modified according to behavior, goals, situations, and time. In the meanwhile, a scale with three dimensions ability, benevolence, and integrity is used to assess trust, and a scale with five dimensions financial, product, time, delivery, social, and information security risks is used to measure perceived risk. The study's findings indicate that intentions to shop online are significantly influenced by perceived risk and trust. The benevolence dimension of trust and the product risk dimension of perceived risk were the two variables whose regression coefficient values were significant, as determined by the results of the minor hypothesis test of the significance of each regression coefficient on the dependent variable.

Keywords: online shopping, trust, perceived risk, purchase

Introduction

The internet has grown into a huge worldwide marketplace for the exchange of goods and services during the last few decades. The internet has significantly facilitated many people's activities in the modern world. To place an order for their preferred things, individuals simply need to select and sit in front of a computer, or even better, use a cell phone. We refer to this practice of selling products online as "e-retailing" or "online shopping." With the development of the use of the internet as a medium for buying and selling transactions, it has attracted the attention of researchers from various scientific disciplines to examine online shopping behavior in the last decade. Nowadays, online shopping has experienced rapid growth. According to the UCLA (University of California) Communication Center, online transactions are one of the activities that are often carried out after using e-mail, instant messaging, and web browsing. In fact, this is more interesting than news and entertainment. The internet has become a major channel for providing a wide range of items in many developed nations, including Indonesia, where its availability has increased by 57% this year. Comparing this value to the growth of last year, it has more than doubled. According to BMI research, 24% of Indonesian internet users engaged in online shopping in 2014. He predicts this growth because it is in line with the internet user target set by the Ministry of Communication and Information to reach 150 million users out of Indonesia's total population of 255.5 million people (Hidayat & Tannady, 2023).

The survey analysis's results indicate that a variety of factors, including psychological, social, emotional, and privacy-related ones, can affect a person's preference for online shopping or making purchases. A person's intention to shop online is mostly influenced by concerns about security and privacy protection. Numerous studies on the subject of internet purchasing show that, for a variety of reasons, including cost, recommendations, convenience, and trust, buying online is simple, pleasant, and superior to traditional retail. Tokopedia.com is one website that offers services for online buying and selling. Use clear and secure terminology to pique the interest of customers. With 10 million monthly visitors since its start in 2009, e-commerce in Indonesia has solidly established itself as one of the industry leaders. Not only that, throughout the four years of operation, there have been 24 million buying and selling transactions on the Tokopedia site. The Tokopedia site is one of the most trusted online buying and selling sites. Therefore, quite a few people visit Tokopedia to buy various kinds of goods they need. This is what makes the e-commerce site one of the largest online shopping sites in Indonesia (Widjaja et al., 2021).

Based on user statistical data, there are several factors that can increase or decrease a person's intention to shop online that are interesting to research. The first are factors that influence the attitudes and online shopping intentions of consumers in Mongolia. These factors are consumer innovativeness, perceived benefits, and perceived risk. The respondents in this study were 180 online shoppers. The study's findings indicate that while the perceived risk variable has a negative impact on attitudes about online purchasing, the consumer innovativeness and perceived advantages factors have a favorable influence. Subsequently, the innovativeness, perceived rewards, and perceived risk of consumers all exert an indirect influence on their willingness to shop online. Aside from that, earlier studies have been done on how perceived risk affects Jordanian online shopping behavior. 400 internet shoppers participated in this survey as respondents. The study's findings indicate that online shopping behavior is adversely affected by perceived risks related to money risk, product risk, delivery risk, and information security risk. The social and temporal risk components have no bearing on the conduct of internet shoppers. The purpose of the study is to determine how experience affects online purchase intentions and how perceived behavior control (PBC) and trust function to moderate these effects (Huang et al., 2007). There were two hundred respondents in this study. This research found that purchasing experience does not have a significant influence on online purchasing intentions. Therefore, the role of PBC and trust as moderator variables can support a person's buying experience when making online purchases.

Literature Review

The concept of perceived risk is defined as the risk that arises from consumers' perceptions of uncertainty and the consequences of losses that will be suffered from purchasing a product. Consumer perceptions of purchasing risks also have an impact on buying and selling businesses on the internet (Tannady & Purnamaningsih, 2023). The

ability of consumers to anticipate the risks they will receive can increase consumer satisfaction with the goods they will buy and their shopping experience on the internet. Considering that the place where online buying and selling transactions take place is in cyberspace, the element of uncertainty is very high (Purbaningsih et al., 2021). The goods being traded are also virtual, meaning that the goods are only presented in the form of information, whether in the form of writing, photos, or videos. Consumers cannot actually see, touch, hear, or feel the goods they want to buy in real life. This element of uncertainty ultimately creates perceived risk in the minds of consumers. Online shopping is still perceived by many customers as risky (Karami et al., 2012). Previous studies' findings indicated that an individual's intention to shop online is negatively impacted by each of the six characteristics of perceived risk. This implies that the likelihood of someone shopping online decreases with the perceived risk of a product and/or online retailer (Lui & Jamieson, 2013).

Currently, many online stores offer attractive products, but their image and credibility are questionable. Therefore, there are many cases of fraud and losses resulting from online shopping. In 2014, of the 785 cybercrime cases reported, 404 were cases of fraud. Cybercrime, often known as internet fraud, continues to pose a danger to the long-term viability of e-commerce, not only in Indonesia but also globally. After Ukraine, Indonesia is reportedly the second-largest cyber-fraud culprit in Asia (Aditi et al., 2023). According to the findings, almost 20% of all credit card transactions made online from Indonesia are fraudulent. 40 thousand clients, 6 million transactions, and 1,137 online retailers were all surveyed for the study. There are more than 100 Facebook accounts and 40 fake websites under the guise of online shopping. Many of them have claimed victims. In fact, fraud cases are also increasing (Masoud, 2013).

This data shows the high risks that may arise when we shop online. It is crucial to research how customers' willingness to take on risk affects their propensity to shop online. Apart from perceived risk, another interesting factor to research related to online shopping intentions is the trust factor. When a consumer has purchased an item from online shopping, it means that he or she must build trust in the item being sold to avoid cases of fraud that can occur in online shopping and also trust procedures that have a fairly high risk, such as sending money online in large quantities before receiving the goods ordered (Djakasaputra et al., 2021). Success in the online buying and selling business is partly determined by consumer trust in sellers and goods that they do not see in person. It is hard to think that transactional relationships can be built or sustained in this industry without trust. This can be attributed to the internet's immense potential as a novel medium for distribution. Investigating how trust affects online purchase behavior is crucial. Online retailers must endeavor to boost customers' trust in their online stores in order to enhance their desire to shop online, as trust is positively correlated with online shopping activities. Online purchase intentions can be interpreted from two perspectives: technological and trust-related (Nazir et al., 2012). The TRiTAM (Trust-Integrated Technology Acceptance Model) idea refers to the consumer behavior that can be studied while looking at things online from two perspectives. In situations involving danger and uncertainty, trust is crucial. A key element of successful e-commerce is trust.

Methodology

The population used in this research is all e-commerce site users. Furthermore, the sample used in this research was 100 people with the characteristics of having done online shopping on online buying and selling sites in the last year. Sampling in this study used non-probability sampling techniques, meaning that not all members of the population had the same opportunity to be sampled. Then, the researcher used purposive sampling because he had determined certain characteristics for the purposes of this research. In this research, the data collection technique uses a scale as a data collection tool. A measurement scale is an agreement that is used as a guide to establish the duration and interval length in a measuring device so that the device can provide quantitative data when used for measurement. It is a Likert scale methodology that is being employed. Researchers employed an adjusted intention scale based on behavior, goals, context, and time to measure participants' intents to shop online. In this study, the trust scale is taken into account when measuring trust. The Likert scale model, which has a scale from 1 to 4, is used with this scale. In this study, a modified scale is used to measure perceived risk. The questionnaire utilized in this study is an adaption and synthesis of other research studies as well as expert recommendations. Researchers used CFA to assess the reliability of the measuring tools employed in this study. Multiple regression analysis approaches

were employed by the researchers to test the research hypothesis.

Case studies

The regression coefficient value obtained was -0.05 with a significance level of 0.69 , meaning that the ability variable did not significantly influence online shopping intentions. The regression coefficient value obtained was 0.02 with a significance level of 0.01 , meaning that the benevolence variable was significant and had a positive impact on online shopping intentions. This illuminates the relationship between the intention to shop online and the benevolence variable. The integrity variable did not substantially affect the intention to shop online, as indicated by the regression coefficient value of 0.02 at a significance level of 0.85 . The integrity variable did not substantially affect the intention to shop online, as indicated by the regression coefficient value of 0.06 at a significance level of 0.58 . The product risk variable has a negative content and significantly influences online shopping intentions, as indicated by the regression coefficient value of -0.34 at a significance level of 0.01 . This elucidates why the intention to shop online decreases with increasing product risk. At a significance threshold of 0.7 , the regression coefficient value of -0.03 indicated that there was no significant impact of the time risk variable on the intention to shop online. The regression coefficient value obtained was 0.14 with a significance level of 0.29 , meaning that the delivery risk variable did not significantly influence online shopping intentions. The regression coefficient value obtained was 0.09 with a significance level of 0.3 , meaning that the social risk variable did not significantly influence online shopping intentions. The regression coefficient value obtained was 0.03 with a significance level of 0.74 , meaning that the information security risk variable did not significantly influence online shopping intentions.

The variance in intentions to shop online is 0.2% explained by the ability variable. There is no statistically meaningful contribution from this. 1.2% of the variance in the intentions to shop online is accounted for by the kindness variable. There is statistical significance in this contribution. The variance in intentions to shop online is accounted for by the integrity variable to the tune of 0.7% . There is no statistically meaningful contribution from this. The financial risk variable contributes 0.0% to the variance in online shopping intentions. This contribution is not statistically significant with $F = 0.00$ and $df = 195$. The product risk variable contributes 8% to the variance in online shopping intentions. This contribution is statistically significant, with $F = 16.98$ and $df = 194$. The time risk variable contributes 0% to the variance in online shopping intentions. The delivery risk variable contributes 0.9% to the variance in online shopping intentions. This contribution is not statistically significant, with $F = 1.9$. The social risk variable contributes 0.9% to the variance in online shopping intentions. This contribution is not statistically significant, with $F = 1.9$. The information security risk variable contributes 0.9% to the variance in online shopping intentions. This contribution is not statistically significant, with $F = 1.9$. Thus, if we look at the large increase in R^2 produced every time an independent variable is added (the proportion of variance contributed), it can be concluded that there are 4 independent variables, namely benevolence and product risk, that have a significant contribution to online shopping intentions.

Numerous factors can impact an individual's inclination to engage in internet shopping. Only the kindness element of online purchase intentions on e-commerce sites was found to be significantly impacted by the trust variable in this study. This is different from the results of previous research, which found that the three aspects of trust, namely, ability, benevolence, and integrity, all influence a person's intention to shop or transact online. On consumer e-commerce sites, columns are provided that contain guidance and information on how to order, delivery services, payment methods, and the security of consumer data, as well as reviews of each item being sold and reviews of the site from previous consumers. This is an important step for e-commerce to make consumers trust the online buying and selling site. Trust exists to give consumers assurance that their personal information will be safe. For new consumers, they use other people's experiences to determine the reputation of the sites they visit. Perceptions of a site's quality build initial trust, as consumers tend to judge a site's goodness based on how well it provides them with information.

This research also looks at the influence of each aspect of the trust variable on online shopping intentions. As a result, it was found that only the benevolence aspect had a significantly positive influence on online shopping intentions. This means that the higher the benevolence on an e-commerce site, the higher the students' online

shopping intentions on that site. This is because e-commerce sites provide mutually beneficial satisfaction to consumers. On this site, consumers get very good service. Consumers can see information related to purchase terms and conditions, as well as how to order, purchase, and deliver goods in an easy way. Apart from that, in e-commerce, consumers do not pay directly to the seller but to the website manager. After the consumer confirms that the goods have been received, the website manager continues payment to the seller of the goods. In other words, it can be said that as an online market place, it really pays attention to consumer satisfaction. E-commerce parties are very careful to prevent fraudulent sales from occurring on their site. The benevolence aspect is very well maintained on this e-commerce website. This is what causes consumers to feel safe when carrying out buying and selling transactions on e-commerce sites, which ultimately increases their intention to shop online on these sites. The results of this study confirm previous research that used structural equation modeling techniques to find that the benevolence dimension can increase a person's online shopping intentions. This is because consumers believe that sellers maintain customer satisfaction.

It was discovered that the other two components of the trust variable ability and integrity had no discernible effect on the intention to shop online. The reason for this is that the online buying and selling site's inability to effectively market itself is still evident; the website design is still unappealing, making the site less competitive when compared to other sites that use more appealing promotional strategies and better offers. vast and captivating. Apart from that, there are still photos of goods that do not look like the original, so consumers become doubtful and afraid if the goods displayed do not match the original goods. Apart from that, another variable studied was perceived risk, which in this research also significantly influences online shopping intentions. These results are in accordance with previous research, where perceived risk influences online shopping intentions. It was discovered in this study that intentions to shop online are significantly influenced by the product risk variable. Intentions to shop online are negatively impacted by this factor. This implies that a person's motivation to shop online may be diminished by this dimension. Propensity to shop online may decline due to product risk. This is because, despite the fact that users think the internet offers numerous benefits, it also tends to amplify some of the risks associated with making a purchase. When making purchases online as opposed to traditional or in-person retail formats, consumers perceive a higher amount of risk. According to the research's findings, customers are still unsure whether the goods offered by merchants on tokopedia.com correspond to the pictures that are shown on the website. This is the reason why this dimension makes people less likely to shop online. Because consumers on tokopedia.com continue to believe that web managers can uphold their trust and pay attention to information and financial security throughout the buying and selling transaction process, researchers surmise that other dimensions of perceived risk do not significantly affect consumers' intentions to shop online.

Conclusion

The research findings indicate that trust and perceived risk variables have a noteworthy impact on online purchase intentions, as supported by the results of hypothesis testing. Then, only two regression coefficients benevolence and product risk were shown to have a significant impact on online buying intentions based on the outcomes of the hypothesis test, which examined the importance of each regression coefficient on the dependent variable. Researchers came to the conclusion that just one component of the perceived risk variable product risk and one component of the trust variable benevolence had an impact on participants' intentions to shop online. Other factors that don't really matter include skill, honesty, financial risk, time risk, delivery risk, social risk, and information security risk. The findings of the current hypothesis testing indicate that the perceived risk variable's product risk aspect has a significant negative influence that can decrease a person's intention to shop online, while the benevolence aspect of trust has a significant positive influence that can increase a person's intention to shop online. Therefore, even if there is a product risk component to e-commerce, the kindness factor can improve a person's intention to shop online.

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