

## Assessing the Impact of Consumer Product Evaluation and Trust in the Intention of Repurchase in the E-Commerce Environment

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**ABSTRACT:** The purpose of this study is to analyze the factors that influence purchasing decisions on online purchases (ecommerce). The data used are primary data with spreading questionnaires with Likert scale used for data collection and analyzed using multiple linear regression which previously conducted reliability test and classical assumption test. 97 successful respondents. From the results of regression analysis, partially trust, benefit, competitor price competition, have a significant and positive relationship to the intention of buying back in ecommerce. While risk perception has no significant relationship to intention to buy back. simultaneous tie regression analysis results show that all variables discussed significant effect on intention to buy back in ecommerce.

**KEYWORDS :** *Purchasing decisions, Trust, Benefit, Competitor price competition, Risk, Intention buy back*

### I. INTRODUCTION

Internet is an electronic means that can be used for various activities such as communication, research, business transactions and others. Internet technology connects thousands of individual computer networks and organizations around the world. There are at least six reasons why internet technology is so popular. The six reasons are that the Internet has wide connectivity and reach; can reduce communication costs; lower transaction costs; can reduce agency costs; interactive, flexible, and easy; and has the ability to distribute knowledge quickly (Laudon, 2000: 300). Internet users in Indonesia are officially registered subscription in 2003 as many as 739,571, which is divided into personal categories / individuals as much as 591,045 and corporations as much as 148,526 (CIC, 2004). According to WDR research, internet user growth in Indonesia reaches 105% per year and is the highest growth among Asian countries after China (Boerhanoeddin, 2003)

Internet use for business transaction activity is known as Electronic Commerce (e-commerce) (McLeod and Schell, 2004: 49). According to Indrajit (2001: 2), the characteristics of e-commerce consists of transactions between two parties; the exchange of goods, services or information; and internet as the main medium in the transaction process. In practice, e-commerce transactions can occur between business organizations with fellow business organizations (B2B) and between business organizations with consumers (B2C) (Laudon and Laudon, 2000: 307; Indrajit, 2001: 1; Corbitt et al., 2003; McLeod and Schell, 2004: 50). The number of internet users in Indonesia, can be expected to influence people's behavior in purchasing goods / services, ie from conventional purchases to e-commerce.

The e-commerce website is not only a tool to support business transactions, but also corporate channels to interact and communicate with their consumers (Al-Natour, Benbasat, & Cenfetelli, 2011). According to Gartner (2015), online consumer expectations continue to increase in recent years. This increased consumer expectation has increased the complexity of online systems that businesses need to operate. To retain their consumers, online businesses need to redefine strategies to meet consumer expectations and win their trust.

Many of the cases that occur in e-commerce business, one of which often happens fraud or various risks that are not desired by online shoppers. The existence of such fraud cases, making the trust of online shoppers to be reduced or even no longer trust for online shopping. This is supported by research from Awad and Ragowsky (2008) which states that lack of trust tends to prevent consumers from buying online and causing them to ignore their shopping carts during online transactions. Trust in an e-commerce environment is imperative because online consumers are generally more vulnerable to transaction risk, especially when uncertainty about the quality of products or services offered by online sellers is present (Ba and Pavlou, 2002). One of the most frequent ways to reduce this risk is to create value to increase trust between online sellers and buyers (Zeithaml, 1988). Thus, as consumer demands from business change simultaneously, trust can be a tool for creating long-term revenue and growth.

This research would like to examine how consumers' willingness to buy back post purchase on online shopping site in buying a product viewed from perceived trust, perceived risk, perceived usefulness, and perceived competitive price.

## II. MODEL AND HYPOTHESIS

### 2.1 *Perceived Trust and Repurchase Intention*

Trust of e-commerce is needed by online shoppers, because it can also affect both the bad online shopping. Trust in e-commerce can be understood in two distinct phases: pre-purchase and post-purchase (Kim et al., 2009; Zhang et al., 2011). In this study, trust is measured through post-purchase. Where with the post-purchase, we can know whether the buyer will intend to buy back at the same online shopping sites or not, whether online buyers are satisfied with the goods that have been purchased. In the post-purchase stage, consumers have substantial direct experience and they immediately make a decision whether they will take action to buy back with the same seller (Kim et al., 2009).

In this buyback, consumers tend to evaluate a product or service based on the actual performance of a product or service that is felt after consumption. Mayer, Davis, and Schoorman (1995) argue that risk-taking behavior, such as purchasing decisions, is a function of trust and perceptions of contextual risk of behavior. If the level of trust exceeds the perceived risk threshold, then consumers tend to engage in repurchase behavior (Fang et al., 2014).

*H<sub>1</sub>: Perceive Trust has significant correlation to repurchase intention.*

### 2.2 *Perceived Usefulness and Repurchase Intention*

In the present era, everything is done with the online. Many people want it all fast and practical. Now the usability of this online-based transaction system is acceptable and trusted by the community. Online trust has been considered a key determinant of perceived usefulness, especially in the online environment (Gefen et al., 2003; Pavlou, 2003). Davis, Bagozzi, and Warshaw (1989) say that the consumer's perceived online usefulness can be defined as the extent to which consumers believe whether using technology will improve their performance. The benefits of the website depend on the effectiveness of the relevant technology and the extent to which human services are behind the technology (Gefen et al., 2003).

Usefulness of this online shopping site is very easy for consumers who want to buy a product practically, through this they can find out all information about products online, whether they get the goods yag accordingly, and whether by making purchases online can improve their purchasing experience. Davis et al. (1989) argue that individuals forming behavioral intentions toward online shopping are largely based on cognitive judgments about how it will improve their shopping performance. According to Bhattacharjee (2001), an individual is more likely to continue to use when such use is considered useful. Previous research has shown that perceived usefulness has a significant effect on customer loyalty intentions (Cyr et al., 2006).

*H<sub>2</sub>: Perceived is significantly related to repurchase intention.*

### 2.3 *Perceived Risk and Repurchase Intention*

The risk consumers perceive in online shopping is an important role in post-purchase. Dinev and Hart (2006) argue that risk perceptions can be defined as the consumer's perceived uncertainty caused by online shopping sellers' behavior that can result in harm to consumers. In the context of e-commerce, perceived risk can be described as to what extent consumers believe that using a website may have negative consequences or unwanted results (Glover and Benbasat, 2010).

Any perceived risk by consumers will be able to reduce the good relationship that concerns the trust between consumers and online sellers that result in these consumers do not want to buy again at the same online shopping site. One way to retain these consumers is by maintaining their trust in the online store (Gefen et al., 2003; Jarvenpaa et al., 2000; Pavlou, 2003), if consumers already believe in the online shopping site, then there is an intensity to buy back the product at the same online shopping site.

*H<sub>3</sub>: Perceived risk is significantly related to repurchase intention.*

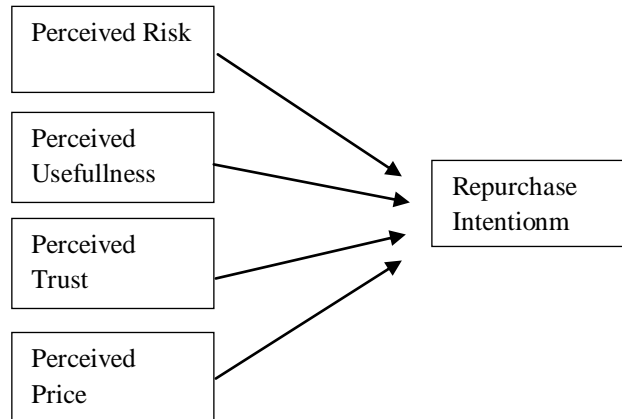
### 2.4 *Perceived Competitive Price and Repurchase Intention*

Price is an important factor for consumers' willingness to buy again on the same online shopping site. Chen and Dubinsky (2003) say that online buyers tend to see prices as important cost components and compare prices between different alternatives. In an online environment, product quality tends to be comparable across vendors and consumers are generally familiar with product information (Kim et al., 2012). Usually consumers will collect information about the prices of a product that they will buy from different online shopping sites. This is in line with the research of Choudhury and Karahanna (2008) which says that consumers can use many websites to gather information and compare product prices. Consumers will usually be more interested in online shopping sites that offer a price range that is acceptable to consumers.

*H<sub>4</sub>: Persaingan harga berhubungan signifikan terhadap repurchase intention.*

**III. RESEARCH METHODOLOGY**

In this study proposed several hypotheses stated in the previous section that need to be examined. The data used in this study is the primary data obtained from the results of the questionnaire. The author designed a set of questionnaires and adopted a cluster sampling technique (Cochran, 1977) and distributed them to respondents via an internet-based questionnaire. Individuals are asked to show their perception of the importance of each item on a five-point Likert scale 1-5, with the lowest point rating "strongly disagree" to the top 5 "strongly agree." The quizerner question is divided into 2 parts, the first part is designed to collect demographic information of respondents such as gender, age, occupation status, frequently visited ecommerce, what items are purchased in ecommerce The second part of the respondents is asked to answer some questions about factors that may encourage intention to repurchase. Figure 1 shows a framework showing the relationship between trust, benefit, risk and competitor price competition with the intention to buy back.



**Figure-1 Relationship of Perceived Trust, Perceived Usefulness, Preceived Risk, Preceived Price Competitor, and Preceived Trust to Repurchase Intention.**

**IV. RESULT AND DISCUSSION**

**4.1 Demographic profile of respondents**

A total of 97 questionnaires that can be used are collected from various circles of Indonesian respondents through web-based questionnaires. Most men spend more time doing online shopping than women seen 58.3% of online purchases made by men with the most age range of 64.9% at the age of 21-26 years of course at that age most of the respondents are already work seen from percentage figures that have worked 63.9% ever made an online purchase. E commerce frequented by respondents is the first Shopee of 51.5% both lazada by 15.5% and third is bukalapak and tokopedia of 12.4%. The most soughtafter item is fashion at 38.1%.

**Table 1. Demographics of respondents**

Catagories	Frequency	Percent	Cumulative Percent
<i>Gender</i>			
Male	24	24,7	24,7
Female	73	75,3	100,0
<b>Total</b>	97	100	
<i>Age</i>			
15 - 20	22	22,7	81,4
21 - 26	63	64,9	59,8
< 26	12	12,4	100
<b>Total</b>	97	100	
<i>Status</i>			
Already working	62	63,9	63,9
Studying in college	19	19,6	83,5
Being school	16	16,5	100
<b>Total</b>	97	100	

<i>E-commerce</i>			
Blibli	1	1,0	1,0
Bukalapak	12	12,4	13,4
Lazada	15	15,5	28,9
OLX	5	5,2	34,0
Shopee	50	51,5	85,6
Tokopedia	12	12,4	97,9
Zalora	2	2,1	100
<b>Total</b>	97	100	
<i>Type Purchase</i>			
Book	4	4,1	4,1
Fashion	37	38,1	42,3
Make up	18	18,6	93,8
Computer tools	4	4,1	97,9
Souvenir	2	2,1	100
Other	32	33,0	75,3
<b>Total</b>	97	100	

Source : data processed, 2019 (Using SPSS 25)

#### 4.2 Reliability Analysis and Validity Analysis

Based on table 2, the reliability analysis results for all the measurement indicators of the variables are shown from the value of Cronbach's Alpha Perchieved Trust 0.801, for Percheived Usefulness 0,820, for Perceived Risk 0,728, Perchieved Competitive Price 0,820 and for Repurchase Intention 0,647. It can be said that all the variable measurement indicators have passed the reliability test because the value of cronbach's alpha is more than 0.6. So, it can be concluded that constructs on each indicator variable can be said to be valid and reliable because it has a value of Cronbach's Alpha above the minimum value of 0.6.

**Table 2**  
**Reliability Test Results**

Variabel Contrusct	N of item	Cronbach's Alpha
Perchieved Trust	4	.801
Perchieved Usefulness	2	.820
Perchieved Risk	2	.728
Perchieved Competitive Price	3	.820
Repurchase Intention	3	.647

Source : data processed, 2019 (Using SPSS 25)

To be able to use a regression model it must meet a number of assumptions. From the results of the classic assumption test shows that the data presented for the regression model does not contain multicollinearity problems. In addition, from the results of classical assumption test does not occur heteroskedastisitas, there is no problem autokorelasi and meet the assumption of normality so that the regression model worthy to be used to predict purchasing decisions based on input independent variable.

#### 4.3 T test

T test is statistically tested to determine whether the independent variable individually has an influence on the dependent variable. If the probability level is less than 0.05 then it can be said that the independent variable has an effect on the dependent variable.

**Table 3**  
**T Test Regression Results**

Model	B	t-stat	Sig.
(Constant)	0,085	0,211	0,834
Perceived trust	0,376	3,44	0,001
Perceived usefulness	0,400	4,429	0,000
Perceived risk	-0,01	-0,092	0,927
Perceived competitive price	0,184	2,052	0,043

Source : data processed, 2019 (Using SPSS 25)

In table 3 shows the results of multiple regression shown in the independent variable to the dependent variable with significance at the level of 5%. Here is the regression equation that is formed:

$$Y = 0,085 + 0,376 X_1 + 0,4 X_2 - 0,005 X_3 + 0,184 X_4$$

T test analysis result for trust variables shows the significance of 0.001 under probability  $\alpha = 5\%$  means that the trust of ecommerce has a significant effect on the intention to buy back. Hence hypothesis 1 is acceptable which indicates that there is a significant positive relationship between beliefs on intent to buy back in ecommerce. The coefficient value of 0.376 indicates that any 100% increase in confidence will increase the intention to repurchase by 37.5%. This result is in line with the research that has been conducted (Fang, 2014; Hi bao, 2016) confirms that there is a positive relationship between trust and the relationship between trust and repurchase intent. It provides empirical support that the ecommerce market meets customer requirements and makes them satisfied will improve Their belief in buying in the ecommer market thus leads to repurchase. According to Gefen et al. (2003), ecommerce consumers will generally avoid purchases from ecommerce that are unconvincing and unreliable, or they assume that the ecommers behave that can make the trust to buy worse. Based on previous research does show that trust plays an important role in encouraging customer satisfaction that ultimately makes the intention of buying back (Lin and Wang, 2006).

In the variable benefits indicate the significance of 0.000 below the probability value  $\alpha = 5\%$  which means the benefits of goods sold have a significant influence on the intention to buy back then hypothesis 2 can be accepted which indicates that there is a significant relationship between the benefits of goods sold with the intention to buy back in ecommerce. The coefficient value of 0.4 indicates that each benefit of purchased item of 100% will increase the intention to repurchase by 40%. This is in line with a study by Bhattacharjee (2001), he argues that a person is more likely to intend to continue to use when such use is considered useful. Customers who have completed purchasing products in an efficient manner will be more likely to demonstrate a stronger repurchase intention. Thus, it can be seen that consumers who benefit and positive use of purchases of products or services tend to make future buybacks.

For the risk variable shows a significance level of 0.927 above the probability  $\alpha = 5\%$  means the risk does not have a significant effect on the intention to buy back. Hence hypothesis 3 can not be accepted which indicates that there is a significant positive relationship between the risk of goods purchased against intention to buy back in ecommerce. For this result is not in line with the research of Crespo and Bosque (2010) that risk perceptions are positively related to the intention to buy back. Risks that can be faced by users of online transactions is a security risk to transact and certainty of goods ordered. At the time of online transactions, the risks to be gained by consumers tend to be greater than by buying directly because the buyer can not directly see the product to buy and how the store's background. However, there are studies that agree with these results (Kim, 2008, Saraswati and Badrian, 2013) that show the results of the perception of risk does not affect the intention of repurchase through ecommerce, many people create uncertainty when they make transactions through ecommerce. A person's motivation to make purchases is balanced with the benefits to be gained and tends to better excess online transactions rather than the risks they will face.

For price competition shows the number of significance is 0.043 below the probability value  $\alpha = 5\%$  which means price competition has a significant effect on the success of ERP implementation hence hypothesis 4 can be accepted which indicates that there is a significant relationship between price competition with the intention to buy back in ecommerce. The coefficient value of 0.184 indicates that each benefit of purchased goods of 100% will increase the intention to repurchase by 18.4%. This is in line with Fornell et al. (1996) who found that price perceptions affect customer satisfaction, in macroeconomic studies involving seven industry sectors. When someone shopping on the internet, consumers can not really see the product they are not sure that what is represented on the web is consistent with what is actually received. Under conditions characterized by such performance uncertainty, price perceptions tend to play an increasing role in determining both post-purchase satisfaction and intention to return (Liu and Arnett, 2000).

#### 4.3 F Test

This test to determine whether the independent variables simultaneously affect the dependent variable. If the probability level is less than 0.05 then it can be said that all independent variables together affect the dependent variable.

**Table 4. : T Test Regression Results**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	28,162	4	7,041	28,2	,000 <sup>b</sup>
Residual	22,722	91	0,25		
Total	50,884	95			

Source : data processed, 2019 (Using SPSS 25)



Table 4 shows the results of the F test, obtained F count is 28.197 with a significance value of 0.000. The significance value in F test is smaller than  $\alpha = 5\%$  (0,05), hence hypothesis 6 accepted. This suggests that Trust, Benefit, Risk and Price competition together may affect the intention to buy back in ecommerce

## V. CONCLUSION

Empirical results in this study found that generally men can spend more time than women in buying products online and products are purchased a lot of fashion products. Trustworthiness, Benefit, and competitor price competition have a significant and strong relationship to the intention to buy back in ecommerce which means that with the perception of trust, the benefits of purchased goods and price competition between ecommerce can encourage someone's intention to buy back on the ecommerce they go to.

But not for the perception of the risks gained in making a purchase transaction this shows that the respondent has had experience in conducting online transactions. They are able to find out which website sites can convince them to buy and which one is trying to cheat. In addition they can also see reviews or comments of buyers who have made purchases on the site or ecommerce that will be a consideration to buy products online. Therefore, risk perception does not significantly affect a person's intention to buy back. There is some limitations that still exist in this study. Future research can modify the model by adding other variables and more indicator for factor repurchase intention. The sample is also still limited, it is expected that further research will add the research sample. So, that it is expected to get clear results from this study.

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