

Analysis of Buyer's Trust in E-Commerce Shop And Travel Web

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ABSTRACT

The development of information technology is increasing rapidly until now the latest technologies are being developed so that the role of technology can also improve the regional economy. Economic growth and technological developments in the business world have developed very rapidly, marked by the emergence of companies that are trying to create products and services to meet consumer needs. Business development illustrates that people's welfare is increasing, thus causing an increase in people's purchasing power. This study aims to develop a research model that uses Kim's approach model by representing based on Trust, Benefit, Risk, Intention and Purchasing with this model so that factors can be identified. anything that influences public trust to conduct online transactions (E-commerce), especially on web shops and travel.

Keywords: E-Commerce, Consumer Behavior, Trust

Introduction

Today the development of information technology has been so fast, one of which is the Internet. Internet technology connects thousands of individual computer networks and organizations around the world [1]. 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 fees; can reduce agency costs; interactive, flexible, and easy; and has the ability to distribute knowledge quickly[2].

These conditions can be used as a trigger to grow e-Commerce in Indonesia. With the increasing number of Internet users, it is expected to influence people's behavior in purchasing goods/services, namely from conventional purchases to e-Commerce. Currently, the number of e-shops in Indonesia has reached more than twenty. Various products are sold, such as books, computers, mobile phones, handicrafts, and t-shirts. Based on the research institute International Data Corporation (IDC), the value of trade via the Internet in Indonesia last year reached US\$ 3.4 billion or around Rp 30 trillion [3].

Economic growth and technological developments in the business world have developed very rapidly, marked by the emergence of companies that are trying to create products and services to meet consumer needs. Business development illustrates that people's welfare is increasing, thus causing an increase in people's purchasing power. On the other hand, developments have resulted in increasingly fierce competition [4][5].

Consumer behavior makes purchasing decisions based on purchase intentions. Purchase intention is influenced by perceived benefits, risks and trust in the store. Consumers are more likely to be involved in purchases via the Internet when perceived risks are low, perceived benefits are high and when trust is high (direct effect), consumers' trust in sellers will also increase their intention to buy indirectly [4].

MSMEs have an important role in advancing the Indonesian economy today. As an alternative to expand new jobs. One way to increase MSME income is to use internet media as a means of promotion. The great opportunity for the use of internet media as a means of promotion is based on data on internet usage in Indonesia [5][6].

By building an information system for web-based MSMEs using the PHP and MySQL programming languages [7]. The development of information technology is increasing rapidly until now the latest technologies are being developed so that the role of technology can also improve the regional economy. Micro, small and medium enterprises (MSMEs) have an important role in advancing the current Indonesian economy. As an alternative to expand new jobs. One way to increase MSME income is to use internet media as a means of promotion. A great opportunity for the use of internet media as a means of promotion is based on data on internet usage in Indonesia [8].

Study Review

Some studies examining trust and participation on the Internet can be put forward as follows [9]–[13]:

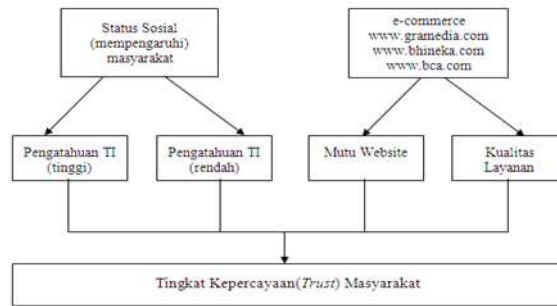


Figure 1. Research Model

[14] conducted a study on virtual communities and trusts. The research model used is as follows:

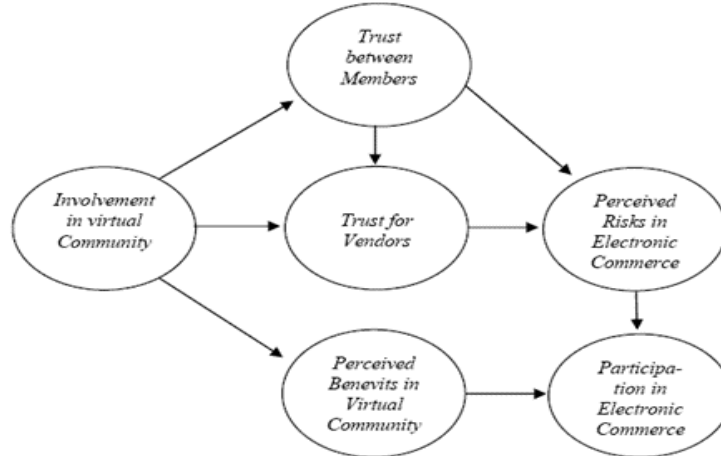


Figure 2. Research Model

This research was conducted by sending questionnaires to mailing lists on MSN, Yahoo!, and BSZnet. This questionnaire was prepared using seven Likert scales. The sample obtained from the distribution of the questionnaire was 163 respondents. The analysis tool used in this study is Simple Logistic Regression.

The results showed that when trust exists among members of a virtual community, the experience of deep member engagement reduces the feeling of risk for members in making purchases. Members will feel less at risk in making a purchase if they have received recommendations from the community than if the recommendations come from individuals.

[15] examines the causes and effects of trust in virtual communities. The research models used are:

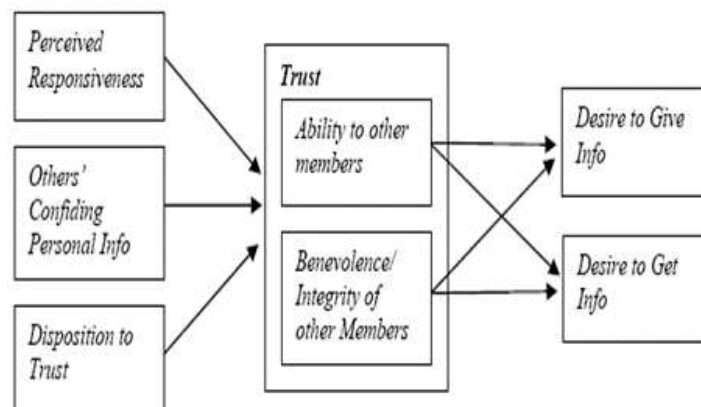


Figure 3. Research Model

The population in this study is members of virtual communities on the Internet who are members of discussion groups (bulletin boards) or mailing lists. The data collection instrument used is a questionnaire. This questionnaire is sent (posted) to the bulletin board. The total respondents obtained were 663 respondents from

36 bulletin boards. The analytical tool used in this study is factor analysis with the Principal Component method. The results of this study explain that trust is a significant predictor of the desire of members of the virtual community to share and obtain information from each other. Thoughtfulness, openness, and good disposition can build trust.

Trust is the most important aspect of a virtual community. Trust among members of the virtual community will be greater if they know each other personally.

[16] conducted research on the relationship between trust and e-Commerce customer loyalty. The model is constructed as follows:

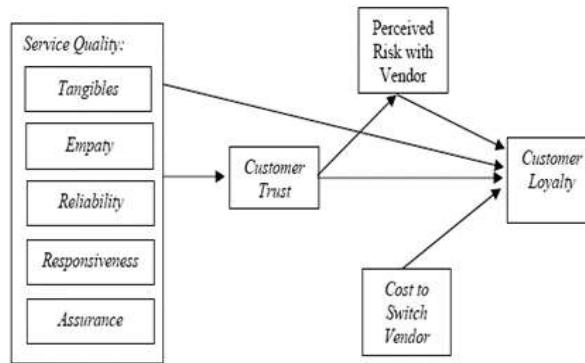


Figure 4. Research Model

The research was conducted on undergraduate and graduate students from leading American business universities who made book purchase transactions on amazon.com sites. The data collection instrument used a questionnaire with seven Likert scales. From this survey, 160 respondents were collected who filled out the questionnaire correctly and completely.

The analysis tools used are Principal Components Factor (PCA) Analysis and partial least squares (PLS). The results of this study show that consumer loyalty depends on the vendor's ability to manage consumer trust through service quality. Quality of service through increasing trust has a major contribution in shaping consumer loyalty.

[17] examined the trust of trading partners in relation to participation in e-Commerce. The models built are:

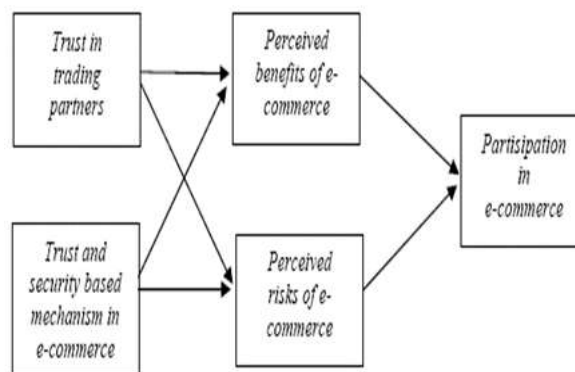


Figure 5. Research Model

This research was conducted on adopters, implementers, information system managers, buyers, suppliers, product producers, and distributors involved in e-Commerce transactions. The data collection tool uses a questionnaire with a Likert scale measuring instrument. With the LISREL (Linear Structural Relationship) analysis tool, the result obtained is the trust of trading partners to increase participation in e-Commerce.

[18] examines the factors of customer trust in e-Commerce transactions. The proposed model is as follows:

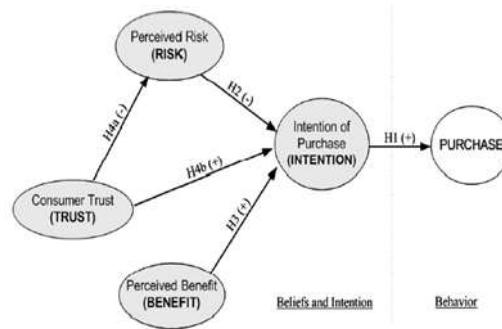


Figure 6. Research Model

This research uses the web as material to collect data. Respondents came from two groups of public university students in the United States. The analysis methods used are structural equation model analysis and factor analysis. The results of this study show that customer trust strongly influences purchase intentions over the Internet.

[19] conducted research on trust and e-Commerce from consumer perception. The research model developed is as follows:

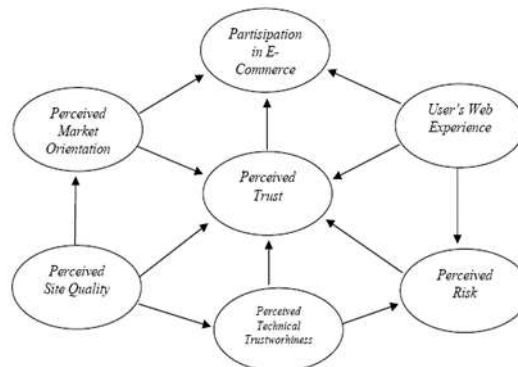


Figure 7. Research Model

The study was conducted on Internet users in New Zealand. Data was collected using questionnaires placed on the website. Respondents are invited to complete a questionnaire via e-mail. The number of samples obtained was 80 respondents. The analytical tools used in this study were correlation and regression. The results of the study show that trust as an important factor in e-Commerce is influenced by three sources, namely e-Commerce reputation in general, consumers, and ecommerce websites. Considerable experience in using the Internet, will grow trust in consumers. This trust will then have a big impact on consumers to participate in making online purchases.

Research Mindset

The framework of this writing refers to the Kim Model in determining e-Commerce trust analysis in web shops and travel.

In determining the level of trust, this study uses 5 variables, namely Trust, Risk, Benefit, Intention, and Purchase.

Kim's model explains consumers make purchasing decisions based on purchase intent. Purchase intent is influenced by perceptions of benefits, risks and trust in the website. Consumers are more likely to engage in Internet purchases when risk is low, benefits are high and when trust is high (direct effect) consumer trust in sellers increases their intent to buy indirectly

In this model can be made an influence between variables as follows:

1. Trust Affects Risk
2. Trust affects Purchase Intent
3. Risk Affects Purchase Intent
4. Benefits of Influence on Purchase Intent
5. Purchase Intent affects Purchase

In this study, the framework of thinking uses the influence between variables using Kim's model theory, namely Trust, Risk, Benefit, Intention, and Purchase.

This frame of mind can be seen in the following picture:

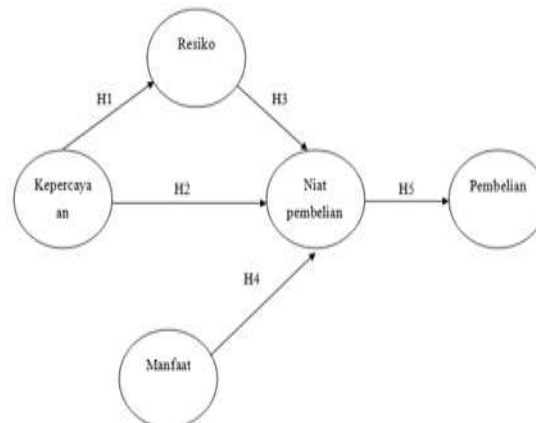


Figure 8. Frame of Mind

Based on the above framework, the following hypothesis was compiled:

- H1: It is suspected that Trust has a direct negative influence on Risk
- H2: It is suspected that Trust has a direct positive influence on Intention
- H3: It is suspected that Risk has a direct negative influence on Intention
- H4 : It is suspected that Benefits have a direct positive influence on Intention
- H5: It is suspected that Intention has a direct positive influence on the Purchase

Research Grid

Research grids such as in the following table are used to measure variables of confidence, risk, benefit, purchase intent and purchase which is material to test the five variables used.

In this study there were 2 (two) exogenous and 3 (three) endogenous variables. Exogenous variables are referred to as source variables or independent variables that are not predicted or influenced by other models, including:

1. Trust (K)
2. Benefit (M)

While endogenous variables are referred to as variables that are influenced or that receive consequences due to the presence of exogenous variables, including:

1. Risk (R)
2. Purchase Intent (NP)
3. Purchase (P)

Path Model (Path Analysis)

After modifying the model with path analysis, the following model is obtained:

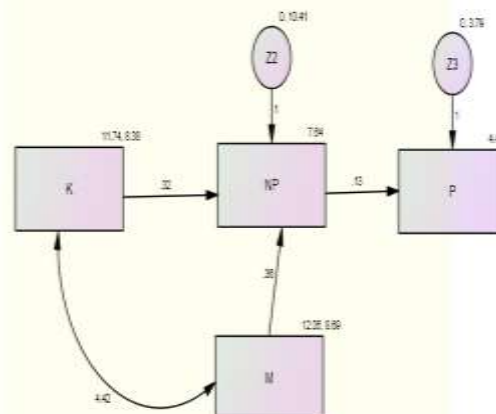


Figure 9. Research model in the form of a path diagram

Final Research Model

Based on the results of these significant tests, the final analysis model is obtained as follows:

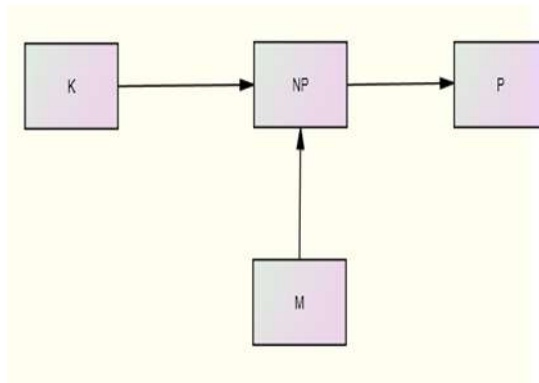


Figure 10. Research model in the form of a path diagram after the significance test.

Model Interpretation

Based on the modification of the model and the results of hypothesis testing, it can be explained that the model obtained in the final research is as follows:

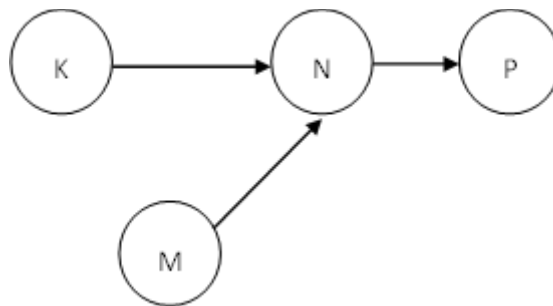


Figure 11. Final Research Model

The overall statistical fit model gives a value of Chi-square = 0.625 with probability = 0.732 which means the model is excellent. From figure 11 it can be concluded that trust(K) has a positive effect on Purchase Intent (NP) with a standardized coefficient of 0.253, as well as Benefit(M) has a positive effect on Purchase Intent (NP) with a standardized coefficient of 0.289 while the latent value of Purchase Intention for intercepts is 7.642. Purchase Intent (NP) also positively affects Purchase (P) with a standardized coefficient of 0.241 while the latent value of Purchase for intercepts is 4.412.

Table 1. Standard coefficient of the final model

Standardized Regression Weights: (Group number 1 - Default model)

	Estimate
NP <--- K	.253
NP <--- M	.289
P <--- NP	.241

Table 2. Final Model Intercepts

Intercepts: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
NP	7.642	1.396	5.472	***	par_6
P	4.412	.777	5.679	***	par_7

For complete results of the final model data can be seen in appendix 13. So that the structural equation to express the causality relationship can be expressed as follows:

$$\begin{aligned}
 NP &= \gamma K + \gamma M + \text{intercepts} \\
 &= 0.523 K + 0.289 M + 7.642 \\
 P &= \beta NP + \text{intercepts}
 \end{aligned}$$

$$= 0.241 NP + 4.412$$

From figure 16 it can be explained that the variable Trust (K) affects Purchase Intention (NP). The higher the level of trust (K), the stronger the respondent's purchase intention to make online transactions on the web Shop and travel.

The Benefit variable (M) has an effect on Purchase Intent (NP). The higher the level of Benefit (M) felt by respondents, the stronger their purchase intention to make online transactions on the web Shop and travel. The Purchase Intent (NP) variable has an effect on Purchases (P). The higher the Purchase Intention (NP) to make online transactions, the stronger respondents will be to make online transaction purchases on the web Shop and travel. The benefits obtained from the use of this model include increasing public trust and stimulating respondents for the benefits obtained if making online transactions on the web Shop and travel, convincing respondents to have a strong intention to make online transactions.

Conclusion

The mathematical model of this study is $NP = 0.523 K + 0.289 M + 7.642$ and $P = 0.241 NP + 4.412$. The KIM model is not fully empirically proven in the case of E-Commerce Shop and travel, it can be seen from the final results of the study obtained only reflect the variables Trust (K), Benefits (M), Purchase Intention (NP) and Purchase (P). The causality relationship between the factors that influence the analysis of ecommerce trust in Shop and travel from the final model of this study is: The Trust variable (K) has a positive or significant effect on the Purchase Intention (NP) variable. This means that higher buyer trust (Privacy protection, security protection and accuracy) will affect the Purchase Intent on the buyer. The Benefit variable (M) has a positive or significant effect on the Purchase Intent (NP) variable. This means that the higher the Benefits (time savings, cost savings and convenience) will affect the Purchase Intent on the buyer. The Purchase Intent (NP) variable has a positive or significant effect on the Purchase (P) variable. This means that the higher the trust (Needed, Advertising and Price) will affect the purchase on the buyer to make a purchase transaction.

Suggestion

Based on the conclusions drawn from the results of the study, the suggestions for research are as follows:

1. Shop and travel provides a guarantee for the product purchased, for example, the product is damaged or defective when received by the buyer, then the seller provides a money-back guarantee or sends back the same item according to the product ordered by the buyer. So that buyers are confident and brave to make online transactions on the Shop and travel web.
2. Shop and travel must be consistent with the information provided on the web, so the information on the web must match the information received by the buyer, so the seller must always update the data sold on the web so that the buyer feels that the information received is the same as the data the buyer sees on the web.

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