

The Effect of Trust, Safety, Service Quality and Risk Perception on Online Purchasing Decisions on Lazada E-Commerce (Study of Students of the Faculty of Economics and Business, Universitas Sumatera Utara)

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ABSTRACT

The purpose of this study was to determine and analyze the effect of trust, safety, service quality, risk perception and online purchasing decisions on Lazada e-commerce. Data collection in this study was carried out through a quantitative approach by distributing questionnaires. The samples in this study were students of the Faculty of Economics and Business, Universitas Sumatera Utara from 2017-2018 who had made 100 online purchases. The data analysis method uses descriptive analysis and statistical analysis of multiple linear regression. The results showed that simultaneous trust, security, service quality, risk perception had a positive and significant effect on online purchasing decisions. Partially, trust has a positive and significant influence on online purchasing decisions. Partially, security has a positive and significant influence on online purchasing decisions. Partially the quality of service has a positive and significant effect on online purchasing decisions. And partially, risk perception has a negative and significant effect on online purchasing decisions at Lazada. Of the four variables, service quality is the dominant variable in influencing online purchasing decisions at Lazada.

Keywords: Trust, Safety, Service Quality, Risk Perception, Online Purchasing Decisions

INTRODUCTION

Communication, media and information technology have an influence on the way and patterns of business activities in the trade industry. The advancement of the internet and its supporting devices has brought distance and shortened human time. All aspects of life are inseparable from the touch of the internet. One of the technological advances that are widely used by people, organizations and companies is the internet. The internet is an electronic tool that can be used for various activities such as communication, research, business transactions and others. Since its introduction in 1969 in the United States,

the internet has experienced remarkable development. Coupled with the introduction of World Wide Web (www) technology, the technology has become even more perfect (McLeod and Schell, 2004). At least there are several reasons why internet technology is so popular, accelerating and facilitating the flow of information and data, providing convenience in business marketing, marketing costs tend to be cheaper, can target and reach a wider target market, building a brand faster.

Based on data showing the growth of internet users in 2017 in Indonesia internet users reached 54.68% of the entire population of Indonesia, or about 143.26 million users. There was an increase of

10.56 million users compared to 2016, up about 7%. For example in 2010 internet users in Indonesia were only 42 million users, compared to 2017 users, an increase of 3 times in 7 years.

The rapid advancement of technology has changed the way people spend by conducting electronic trade transactions (e-commerce). In the past, trading took place offline, where buyers and sellers always met, but not anymore. Consumers only need to see the goods on the seller's site and if they are suitable can make an order and make payment via bank transfer or electronic money, or make a payment later if the item has been received, namely by Cash On Delivery (COD).

The value of Indonesia's e-commerce transactions in 2015 reached US \$ 3.5 billion. This figure is up 34.6 percent from the previous year. Compared to 2011, the value of electronic customer transactions in Indonesia has surged 250 percent and in 2018 is expected to reach US \$ 8.59 billion or around Rp 117.7 trillion.

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, from conventional purchases to e-commerce. As the results of Lupiyoadi (2001) that internet users in Singapore, the more they use the internet, the more they are happy to make purchases through eshop (virtual stores). This phenomenon is expected to be an attraction for entrepreneurs, especially in Indonesia, to start developing business innovation through e-commerce.

E-Commerce in Indonesia include Lazada, Bukalapak, Blibli, Zalora, Tokopedia, and so on. One type of e-commerce marketplace that is quite popular in Indonesia is Lazada. It is an online marketplace that enables every individual and business owner in Indonesia to open and manage their online stores easily and free of charge, while providing a safe and comfortable online trading experience with

the slogan "The leading online shopping Mall in Indonesia" allows users to be able to choose a variety of products in Lazada, online without having to worry about fraud. In addition, as an online mall which is a gathering place for trusted online shops throughout Indonesia.

As a marketing transaction channel that is still relatively new, e-commerce contains more uncertainty and risk compared to conventional transactions. The potential for crime that is common in online transactions such as fraud, credit card piracy, this can happen if the security of e-commerce infrastructure is still weak. This also becomes a problem for consumers to make purchases online because there is more risk that must be ready to be borne by consumers when making online purchases, such as orders that are not likely to be sent or other crimes that can be committed online.

This research is based on realizing the importance of trust, safety, service quality, and risk perception of online purchasing decisions. Millennial generations in this study are students / iFak Faculties of Economics and Business, University of North Sumatra, 2016 and 2017.

Pre-survey by interviewing students of the Faculty of Economics and Business, University Sumatera Utara, 2016 and 2017, it can be concluded, the trust of students in the quality of products purchased comes from the extent to which the brand market place is attached to him, as they do not hesitate to buy products at Lazada, because Lazada is one of the famous marketplace in Indonesia. And also the safety factor and perception of risks that should arise in online transactions are covered by well-known brand marketplace, even though the millennial generation in online transactions is still careful before making transactions. This is also supported by customer care Lazada who is active 24 hours to receive complaints from consumers. Furthermore, the students said that they were interested in shopping online at Lazada because of the

discounted products offered and free shipping.

RESEARCH METHODS

The research used in this study is a form of research associative with a quantitative approach. Associative research according to (Sugiyono, 2011) is research that aims to find out the relationship between two or more variables. In this research a theory will be built that can function to explain, predict, and control a phenomenon. Quantitative research emphasizes its analysis on numerical data (numbers) that are processed by statistical methods. Basically quantitative research is carried out in inference studies (in the context of testing hypotheses) and makes conclusions based on the results of a probability of rejecting a null hypothesis. With quantitative methods the significance of group differences or the significance of the relationship between variables examined will be obtained (Wiratha, 2006). This study will analyze the effect of trust, security, service quality and risk perception using e-commerce on online purchasing decisions.

This research was carried out within the Faculty of Economics and Business, Universitas Sumatera Utara. The study program of management and research began in April to June 2019.

According to Sugiyono (2011), population is a generalization area consisting of objects / subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions are drawn. The population in this study were students of the Faculty of Economics and Business, Universitas Sumatera Utara who were still active, who had shopped at Lazada whose numbers were unknown. The sample that will be required is a minimum of 96.04. So that answers

from respondents through a more representative questionnaire, the researchers set the number of samples is 100 respondents to be more representative.

Data analysis method uses descriptive statistical analysis and multiple linear analysis methods consisting of t test (partial) and F test (simultaneous).

RESULT AND DISCUSSION

RESULT

Based on the data of respondents or Management students of the Faculty of economics and business, Universitas Sumatera Utara, aged 17, there were 4 students, age 18 were 108 students, age 19 were 73 students, and > 20 years were 27 students. In this research respondents are generally 18 years old with a total of 108 students, this is because this study is limited by the population of students majoring in management at the Faculty of Economics and Business, Universitas Sumatera Utara from 2017 to 2018.

Based on the data, there are 28 male respondents and 72 female respondents. In this study the most respondents were female respondents, amounting to 100 people.

Based on the generation of 2017 respondent data, there were 57 students and 2018 respondents were 49 students. In this study, the highest number was 2017 with 57 students from all respondents based on class.

Based on data on the number of respondents who had made online purchases at Lazada when the questionnaire was distributed, 1-3 online purchases at Lazada were 68 respondents, 4-7 online purchases at Lazada were 24 respondents, and 8-10 purchases at Lazada were 8 respondents. Respondents who make 1-3 purchases in Lazada are the most respondents in this study.

Table 1 Results of the Coefficient of Determination (R-Square)				
Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.830 ^a	.688	.675	1.357
a. Predictors: (Constant), X1, X2, X3, X4				
b. Dependent Variable: Y				
Source: Processing SPSS For Windows (April 2019)				

The coefficient of determination (Adjusted R Square) of 0.675 or 67.5% which means that the influence of the variables of trust, safety, service quality, and risk perception of purchasing decisions is 67.5%, while the remaining 32.5% can be influenced by Other variables not examined in this study, such as website quality, price, shopping convenience, product quality, brand image and work effectiveness.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,779	4,682		1,448	,151
	X1	,246	,066	,255	3,741	,000
	X2	,282	,086	,192	3,263	,002
	X3	,543	,065	,588	8,384	,000
	X4	-,199	,090	-,129	-2,216	,029

a. Dependent Variable: Y
Source: Processing SPSS For Windows (April 2019)

Based on Table 2 it can be explained that:

1. The trust variable has a $t_{count} > t_{table}$ that is $3,741 > 1,985$ with a significant value of $0,000 < \alpha 0,05$. So it can be concluded that the trust variable has a significant influence on purchasing decisions, which shows that if the trust has increased then it will be able to increase purchasing decisions, and vice versa, if confidence decreases it will reduce purchasing decisions.
2. The safety variable has a $t_{count} > t_{table}$ that is $3.263 > 1.985$ with a significant value of $0.002 < \alpha 0.05$. This shows that the safety variable has a positive and significant influence on purchasing decisions. If security increases, this will increase purchasing decisions. Conversely, if security decreases, then it will make purchasing decisions will go down.
3. Service quality variable has a value of $t_{count} > t_{table}$ that is $8.338 > 1.985$ with a significant value of $0.000 < \alpha 0.05$. This shows that the service quality variable has a positive and significant influence on purchasing decisions. If the quality of service increases, this will increase purchasing decisions. Conversely, if the quality of service decreases, then it will make purchasing decisions will drop.
4. The risk perception variable has a $t_{count} > t_{table}$ that is $-2.216 < 1.985$ with a significant value of $0.029 > \alpha 0.05$. This indicates that the risk perception variable has a negative and significant influence on purchasing decisions, which means that if

the risk perception increases this will reduce purchasing decisions, and if risk perception decreases it will increase purchasing decisions.

5. Beta value on standardized coefficient is a guide to see which type of variable is the most dominant. Beta value of confidence is 0.246, security is 0.282, service quality is 0.543 and risk perception is -0.199. It can be concluded that the highest value is owned by the variable service quality by 0.543. This shows the dominant service quality variable in influencing purchasing decisions.

Model		F	Sig.
1	Regression	52,415	,000 ^b
	Residual		
	Total		

a. Dependent Variable: Y
b. Predictors: (Constant), X1, X2, X3, X4
Source: Processing SPSS For Windows (April 2019)

Based on Table 3, the F_{count} value is 52.415 with a significant level of 0.000. Whereas the F table at the 95% confidence level ($\alpha = 0.05$) was 2.47. So that the calculation of $F_{count} (52.415) > F_{table} (2.47)$, this shows that the influence of trust, safety, service quality and risk perspective simultaneously or simultaneously is a significant effect on purchasing decisions.

DISCUSSION

Effect of Trust in Online Purchasing Decisions

Based on the results of the study, it was obtained that the trust variable in this study had a positive and significant effect on online purchasing decisions of the students of the Faculty of Economics and Business, Universitas Sumatera Utara, Lupiyoadi (2001) stating consumers 'trust in internet shopping as consumers' willingness to expose themselves to possible losses experienced during shopping transactions via the internet, based on the expectation that the seller promises transactions that will satisfy consumers and be able to send the goods or services that have been promised. So it can be concluded that consumer confidence is the willingness of one party to accept risk from the other party based on the belief and expectation that the other party will take action as expected, even though the two parties do not yet know each other.

This is in line with research by Gefen (2002) and Kim (2003) which states that trust influences online purchasing decisions, the better the company in managing customer trust will affect customer loyalty and online purchasing decisions.

Effect of Safety on Online Purchasing Decisions

Based on the results of this study found that the security variable has a positive and significant influence on online purchasing decisions for students of the Faculty of Economics and Business, Universitas Sumatera Utara. Irawan (2017) define security as the ability of online stores to control and maintain security of data transactions. Security assurance plays an important role in forming trust by reducing consumer attention about misuse of personal data and perishable data transactions. The results of this study are in line with Sukma's (2011) study which states that security factors greatly influence online purchasing decisions.

Effect of Service Quality on Online Purchasing Decisions

Based on the results of this research, the variable quality of online sales services

(E-Commerce) has a positive and significant effect on online purchasing decisions for students of the Faculty of Economics and Business, Universitas Sumatera Utara. E-service quality as the extent to which a website is able to facilitate consumer activities including shopping, purchasing, and shipping both products and services efficiently and effectively. The results of this study are in line with research by Gefen (2002). online purchase loyalty is influenced by the company in this study Lazada manages online sales services.

Effect of Risk Perception on Online Purchasing Decisions

Based on the results of this study the risk perception variable has a negative and significant effect on online purchasing decisions for students of the Faculty of Economics and Business, Universitas Sumatera Utara. According to Sciffman and Kanuk (2000) defines risk perception as uncertainty faced by consumers when they cannot predict the impact of their purchasing decisions. Risk perception can be concluded by a person's subjective assessment of the likelihood of an accident and how worried individuals are with the consequences or impacts caused the incident.

The results of this study are in line with Masoud research (2013) which states that the perception of risk has a negative and significant effect on online purchasing decisions, which means that if risk perception increases it will reduce purchasing decisions, and if risk perception decreases it will increase purchasing decisions on line.

CONCLUSION AND SUGGESTION

Conclusion

1. Simultaneously, it can be seen that trust, security, service quality and risk perception have a positive and significant impact on online purchasing decisions in lazada e-commerce. Based on the Beta value on the standardized coefficient shows that service quality is dominant in influencing online purchasing decisions in lazada e-commerce.

2. It can be seen that the trust variable has a positive and significant influence on online purchasing decisions for students of the Faculty of Economics and Business, Universitas Sumatera Utara.

3. It can be seen that the safety variable has a positive and significant influence on online purchasing decisions for students of the Faculty of Economics and Business, Universitas Sumatera Utara.

4. It can be seen that the service quality variable has a positive and significant influence on online purchasing decisions for students of the Faculty of Economics and Business, Universitas Sumatera Utara.

5. It can be seen that the risk perception variable has a negative and significant influence on online purchasing decisions for students of the Faculty of Economics and Business, Universitas Sumatera Utara.

Suggestion

1. In this study, trust which consists of the dimensions of ability, kindness and integrity still needs to be increased from the sellers so that consumers feel satisfied and trust so that they will pass up the purchase, because trust gives a positive and significant influence on online purchasing decisions at Lazada.

2. It is hoped that the results of this study will be able to apply between the theories obtained in lectures and be able to compare them with real conditions in the world of online commerce.

3. Researchers can further develop this research by conducting research on other factors that can influence purchasing decisions. The magnitude of the factors of trust, security, service quality and risk perception of purchasing decisions are 67.5 and 32.5% are other variables that influence purchasing decisions in addition to the

variables examined in this study. Researchers can then analyze other variables that contribute to online purchasing decisions at Lazada, such as website quality, price, shopping convenience, product quality, brand image and work effectiveness.

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