

## THE INFLUENCE OF PERCEPTIONS OF E-TRUST, E-WOM, AND WEB QUALITY TOWARDS ONLINE REPURCHASE INTENTION (Case Study in Tokopedia)

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**Abstract** – *This research is to find out the Model on The Influence of Perceptions of e- Trust, e-WOM, and Web Quality Towards Online Repurchase Intention. The subjects in this study were college student in Mercu Buana who ever made transaction in Tokopedia site. The sample used in this study was 95 respondents. The sampling technique uses purposive sampling. By using a quantitative descriptive approach. Analysis of the data used is statistical analysis in the form of SEM-PLS. The results of this study indicate that e-Trust has a positive effect on Online Repurchase Intention. e- WOM has a significant positive effect on Online Repurchase Intention and Web Quality has a positive effect on Online Repurchase Intention.*

**Keywords:** *e-Trust, e-WOM, Web Quality, Online Repurchase Intention*

### INTRODUCTION

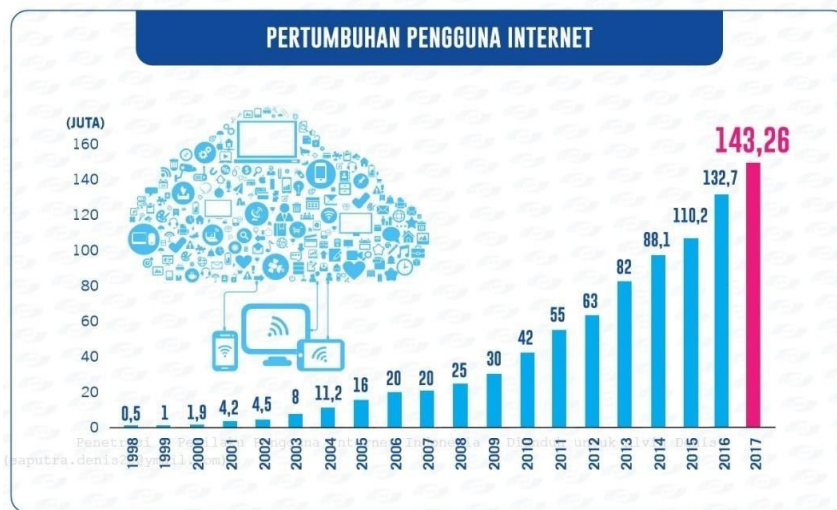
The development of the world of information and technology has been growing rapidly, especially in term of internet which continues to experience renewal from year to year. The history records, the internet in Indonesia has began in the early 1990s, where the internet networks were more known as network association. In accordance with technological developments, the development of the internet in Indonesia has become more commercial and individual, especially those who involving internet commerce. Around 1994 IndoNet began operating, which was first commercial ISP in Indonesia. Then it was developed further in 1995 with several bulletin board systems in Indonesia that provided internet access services abroad. With using Lnyx browser remote in United State, so internet user in Indonesia can access hypertext transfer protocol Webarq, (2010).

Now the development of the internet has driven innovation in business and marketing. One of them is the emergence of e-commerce which is currently growing rapidly. Consumers who do not have a lot of free time or difficult to shopping directly, greatly helped by the presence of e-commerce. Because, consumer only need to searching the internet to finding the desired item on a shopping site and with a very easy method Ivory, (2018).

The relationship between commerce and technology has been long and continues for a long time. Numerous developments and advances in ICT (information and communication technology) in recent decades have led to many evolutions in many fields such as global commerce. Consequently, the processes are involved in many fields such as commerce, economy, banking, customs, etc. have been evolved and changed Rahayu and Day, (2015).

According to internet user data survey were held in 42 cities in Indonesia by Asosiasi Penyelenggara Jasa Internet Indonesia (APJII) in 2017 on "Indonesian Internet User Penetration" shows a significant development from year to year (Figure 1). Shows that in 2017 internet users totaled 143,26 million from 132,7 million previously in 2016, indicating penetration in 1 year had increased by 8%.

**Figure 1. Internet User in Indonesia**



Source: Asosiasi Jasa Penyelenggara Internet Indonesia

Absolutely, this phenomenon opens up the opportunities to utilize e-commerce more broadly. One type of e-commerce that currently growing rapidly in Indonesia is online shopping. Online shopping now has become a lifestyle in Indonesia, based on a survey conducted by UC Browser in 2016 showing 81% of internet users in Indonesia visit online shopping sites more than three times per day Sihombing, (2016). Meanwhile, the results of a study conducted by the Public Relation and Communications Manager of Cupo Nation, stated that the growth of buyers online and online shopper in Indonesia occurred in the last three years. In 2016, the total of online buyers reached 9.6 percent of populations and that number increased to 10.7 percent in 2017. For 2018, a survey from the Snapcart Research Institute in January revealed that millennials are buyers in the field of e-commerce with a 25- 34 years old. The majority of consumer online shopping by gander places women at 65 percent. If combined with Z generation (15 – 24 years old), the number of shoppers from younger generation in 2018 will reach 80 percent Tashandra, (2018).

According to e-commerce visitor data surveys in first quarter 2019 held iPrice on “E-commerce with the most visitors in Indonesia” which shows that the number of monthly e-commerce visitors in Indonesia is more than 100 million (Figure 2). Tokopedia occupied the top position with a total visitor of 137,2 million people and the second position was occupied by Bukalapak which had a total of 115.2 million visitors, and the next position was occupied by Shopee, etc.

Figure 2. Visitors figure for e-commerce 1<sup>st</sup> Quarter 2019

Toko Online	Pengunjung Web Bulanan	Ranking AppStore	Ranking PlayStore	Twitter	Instagram	Facebook	Jumlah Karyawan
1 Tokopedia	137,200,900	#2	#2	192,100	1,148,500	6,049,900	2,677
2 Bukalapak	115,256,600	#3	#4	161,500	711,700	2,423,200	2,575
3 Shopee	74,995,300	#1	#1	69,300	2,164,100	14,409,600	2,748
4 Lazada	52,044,500	#4	#3	365,300	1,173,200	28,245,000	2,212
5 Blibli	32,597,200	#7	#6	483,300	627,400	8,244,800	1,217
6 JD ID	10,656,900	#5	#5	22,800	406,300	778,300	1,021

Source: iPrice.co.id

From the data above, Tokopedia becomes one of the most visitors in the first quarter of 2019. The company which was officially released to the public on August 17, 2009 under the auspices of PT Tokopedia, which was founded by William Tanuwijaya and Leontinus Alpha Edison on February 6, 2009, since the establishment of Tokopedia brought the vision to build a better Indonesia through the internet. Now Tokopedia has growth rapidly and becomes one of the biggest online shopping sites in Indonesia. According to Siti Fauziah, Communications Lead Tokopedia, stated that Tokopedia continues to experience an increase in income every year. Currently in Tokopedia there are millions of merchants that produce more than one trillion rupiahs per month through than 40 million of products ready to be purchased with the best and transparent price (Idris, 2017). In 2016, Tokopedia was awarded as the Best Company in Customer Industry in Indonesia Digital Economy Award by MarkPlus and IDSA, and the most popular startup in Indonesia from JobPlanet Andi, (2017).

### **Research Purpose**

1. The purpose of this research is for analyzing the influence from e-trust toward online repurchase intention in Tokopedia.
2. The purpose of this research is for analyzing the influence from e-WOM toward online repurchase intention in Tokopedia.
3. The purpose of this research is for analyzing the influence from web quality toward online repurchase intention in Tokopedia.

### **Benefits of Research**

1. For Academic

The results of this study can add knowledge about the factors that can influence online repurchase intention in this case Tokopedia and can be used as a comparison of subsequent research.

2. For Practice

For the practitioners, this research is expected to give an overview and as an additional source of information for consumers and companies regarding the influence of e-Trust, e-WOM, and Web Quality to Online Repurchase Intention in Tokopedia.

## **LITERATURE REVIEW**

### **1. e-Trust**

The definition of e- Trust according to Kimery dan McCard (2002), defines trust as customers' willingness to accept weakness in an online transaction based on their positive expectations regarding future online store behavior. According to Mayer et al. (1995) consist of three factors that shape a person's belief that namely ability, benevolence, and integrity, as follows:

- a. Ability, refers to the competence and characteristics of sellers / organization that allows one party to have a specific domain. Ability means more than service for individual but covers all aspects in conducting the business transactions
- b. Benevolence, refers to the extent to which the trustee is believed to want to do good to the trustor, aside from an egocentric profit motive.
- c. Integrity, refers to the perception that the trustee adheres to a set of principles that the trustor finds acceptable.

According to Ribbink et al., (2004) the indicators of e-trust are as follows:

- a. Willing to give private information to online companies.
- b. Willing to give credit card number to most online companies.
- c. It is not a problem to pay in advance for purchased products over the internet.
- d. Online companies are professionals in their branch.
- e. Online companies intend to fulfill their promises.

## 2. e-WOM

According to Henning-Thurau (2004) defined Electronic Word-of-Mouth (E- WOM) as any positive or negative statement made by potential, actual, or formers customers about a product or company, which is made available to a multitude of people and institutions via the Internet. According to Goyette et al., (2010:11), on the electronic journal that focuses on positive word of mouth. They stated that the dimensions of electronic word of mouth (e-WOM) positively reflected through three dimensions:

### 1. Intensity

Intensity in e-WOM are many opinions written by consumers in a social networking site. Indicators of intensity, namely:

- a. Frequency of access to information from social networking sites.
- b. Frequency of interaction with the social networking site users.
- c. The number of reviews written by users of social networking sites.

### 2. Valence of Opinion

Valence of Opinion is the opinion of consumers either positive or negative about products, services, and brand. Valance of Opinion has two properties that is both negative and positive. Valance of opinion include:

- a. Positive recommendations from users of social networking sites.
- b. Complaints from users of social networking sites.

### 3. Content

Content is the information content of social networking sites relating to products and services. Indicators of content include:

- a. Information variety of products and services.
- b. Information quality.
- c. Information on the price offered.

## 3. Web Quality

Website quality is the overall excellence or effectiveness of a website in conveying messages intended for audiences and viewers Wang et al., (2015). According to Barnes dan Vidgen., (2002) there are three dimensions of website quality, as follows:

### a. Usability

Qualities associated with site design and usability. The indicators are: the site is understable, the site easy to use, the site has an attractive appereance, and the site creates a positive experience for me.

### b. Information Quality

The quality of the content of the site. The indicators are: the site provides easy to understand.

### c. Service Interaction Quality

The quality of the service interaction experienced by users as they delve deeper into the site, embodied by trust and empathy. The indicators are: the site has a good reputation.

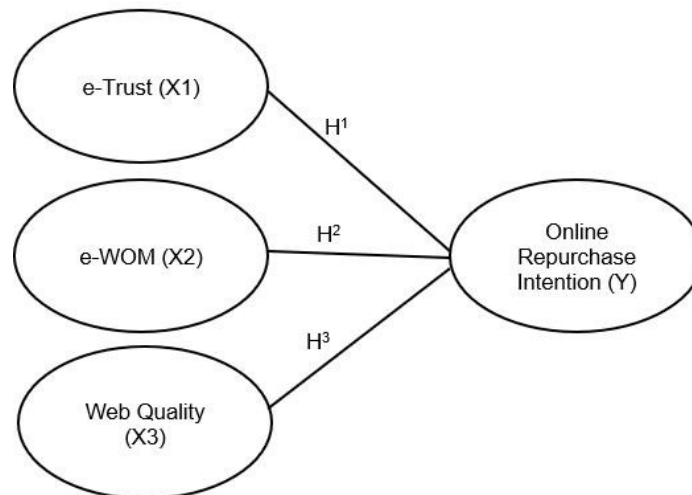
## 4. Online Repurchase Intention

According to Ibzana, Balarabe & Jakada (2016), repurchase is described as a real action of

customer in buying or using the product again. According to Ferdinand (2002:25-26), dimensions of repurchase intention can be identified, as follows:

1. Transactional interest, that is the tendency of someone to buying product.
2. Referential interest, namely the tendency of someone to refer products to others.
3. Preferential interest, namely interest that describes the behavior of someone who has the main preference for the product.
4. Interest in explorations, this interest illustrates the behavior of someone who is always looking for information about the products that they are interested in and looking for information to support the positive traits of the product.

**Figure 3 Research Framework**



Source: Data processed with Smart-PLS 3.0, 2020

### The Hypothesis

Based on the relationship between conceptual framework variables, the researcher formulated the following hypothesis:

H1: e-Trust have positive influence toward online repurchase intention.

H2: e-WOM have positive influence toward online repurchase intention.

H3: Web Quality have positive influence toward online repurchase intention

### METHODS

The type of data used is quantitative data with primary data and sources obtained from the distribution of questionnaires using a Likert scale given to 95 people on Universitas Mercu Buana with the criteria have been purchased product Tokopedia.

### Population and Sample

In this research, the population used is consumers who have to use Tokopedia and have been purchased product on Tokopedia. The sampling taken in this research is a non-probability sampling technique. The method of sampling is done by convenience sampling method.

Total Indicator: 19

Total Respondent:  $19 \times 5 = 95$ . In this study 95 sample.

Hair (2010) suggests that the number of research samples that are not known to be exact population numbers it must be multiplied 5 or 10 times with the question indicators.

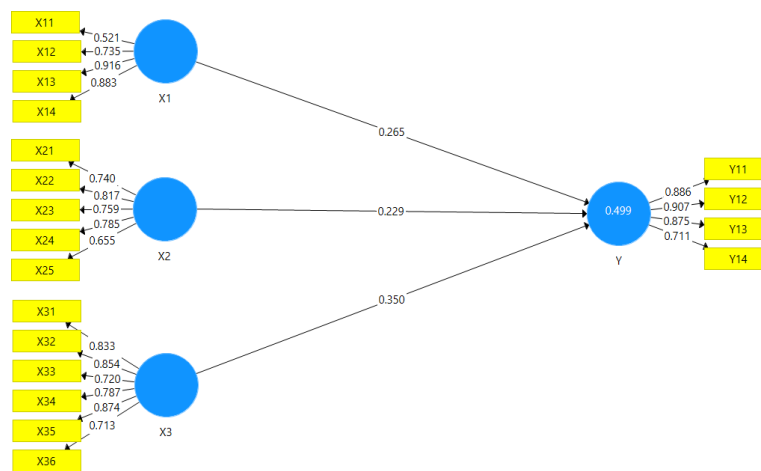
**Data Analysis Techniques**

The analysis method used is determined based on the type of research that is selected by the researcher. Data processing in this research uses a method with Partial Least Square (PLS) using the software smartPLS version 3.0.

**CONCLUSION AND DISCUSSION**

**Data Analysis**

**Figure 4 Output Measurement Model**



Based on the path diagram in the figure above, all instruments in the ease of use, usefulness, risk, and purchase decision variables are said to be valid, where the indicators are considered capable of measuring the variables in the research.

**Convergent Validity**

Convergent validity testing of each construct indicator calculated by PLS (Partial Least Square). According to Ghazali (2014), an indicator is said to have good valid if it is greater than 0.70, while a loading factor of 0.50 to 0.60 is considered sufficient. Based on these criteria if there is a loading factor below 0.50 it will be dropped from the model.

**Table 1 Convergent Validity Test Results**

Variable	Initial	Final
X1	X1.1	0.521
	X1.2	0.735
	X1.3	0.916
	X1.4	0.883
X2	X2.1	0.74
	X2.2	0.817
	X2.3	0.759
	X2.4	0.785
	X2.5	0.655

	X2.5	0.655	0.655
	X3.1	0.833	0.833
X3	X3.2	0.854	0.854
	X3.3	0.72	0.72
	X3.4	0.787	0.7

Source: Data processed with Smart-PLS 3.0, 2020

Based on the results of the initial iteration it is found that the indicator X1.2, has a loading factor value below 0.50 then it must be dropped from the model, because the indicator is invalid. After modifying the model, the final iteration results show that all indicators have a loading factor above 0.50. So, it can be said that the indicator is valid (significant).

### Discriminant Validity

Discriminant Validity can be done by looking at the value of the cross-loading construct measurement. Cross-loading value shows the magnitude of the correlation between each construct with its indicator and the indicator from other block constructs. A good measurement model of discriminant validity can be seen by the correlation between constructs with its indicators which have a higher value rather than the indicators from the other blocks. After doing data processing using SmartPLS 3.0, the cross-loading results can be seen in Table 2:

**Table 2 Discriminant Validity Test Results (Cross Loading)**

	X1	X2	X3	Y
X11		0.521	0.168	0.279
X12		0.735	0.418	0.383
X13		0.916	0.466	0.545
X14		0.883	0.502	0.512
X21	0.43		0.74	0.271
X22	0.457		0.817	0.518
X23	0.428		0.759	0.496
X24	0.353		0.785	0.359
X25	0.236		0.655	0.252
X31	0.435			0.833
X32	0.485			0.854
X33	0.367			0.72
X34	0.539			0.787
X35	0.477			0.874
X36	0.421			0.713
Y11	0.529	0.404	0.558	
Y12	0.565	0.512	0.581	
Y13	0.494	0.489	0.523	
Y14	0.376	0.473	0.437	

Based on Table 4,5 above, show that the value of loading of each indicator item towards its constructs (X1, X2, and X3) bigger than cross loading value. Then, it can be concluded that all the constructs or latent variable already have a good discriminant validity, where is the indicator constructs in indicator blocks are better than the indicators in other blocks.

### Average Variant Extracted (AVE)

For evaluating the discriminant validity can be seen by Average Variance Extracted (AVE) for each construct or latent variable. The model has better discriminant validity if the square root of AVE for each construct is greater than the correlation between two constructs in the model. In this research, AVE value and square root AVE for each construct are presented in Table 3:

**Table 3 Average Variance Extracted (AVE)**

Variable	Average Variant Extracted (AVE)
X1	0.608
X2	0.568
X3	0.639
Y	0.719

Source: Data processed with Smart-PLS 3.0, 2020

From Table 4.6 the AVE value for each construct is above 0,5. Because of that the discriminant validity has no issues, so the construct which is tested in this research model can be said to have good discriminant validity.

### Composite Reliability and Cronbach's Alpha

In addition to the outer model measured by convergent validity and discriminant validity, it can also be done by looking at construct reliability or latent variables measured by looking at composite reliability of the indicator block that measures the contract. The results of PLS output for Composite Reliability and Cronbach's Alpha can be seen in Table 4:

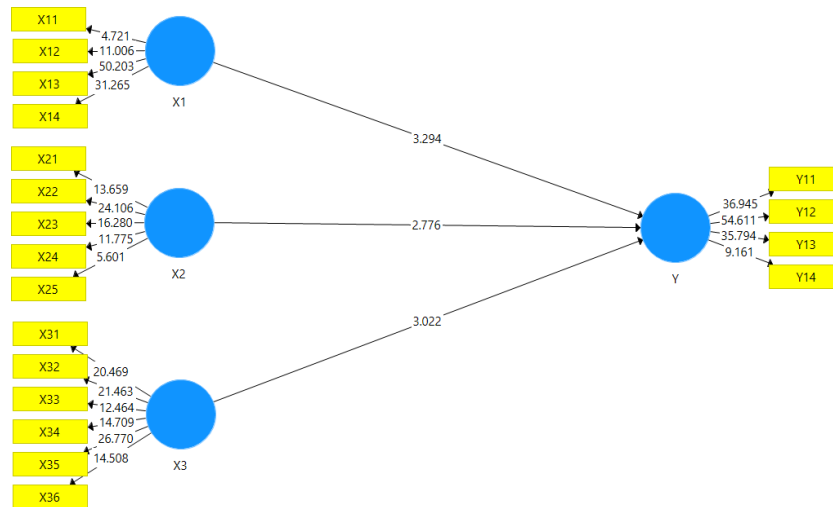
**Table 4 Composite Reliability and Cronbach's Alpha**

Variable	Composite Reliability	Cronbach's Alpha
X1	0.856	0.776
X2	0.867	0.813
X3	0.913	0.886
Y	0.91	0.867

Based on Table 4, the model presented the value of Composite Reliability and Cronbach's Alpha for all constructs is above 0.70. Thus it can be concluded that all constructs have good reliability by the required minimum value limit.



**Figure 5 Output Structural Model**



**R-square value (R<sup>2</sup>)**

The R-square value (R<sup>2</sup>) or the coefficient of determination is 0.499. It means that 49,9% variation or repurchase intention is influenced by e-Trust, e-WoM, and Web Quality, while the remaining 49,9% is explained by other factors. The results of R-square value can be seen in Table 5:

**Table 5 R-square value (R<sup>2</sup>)**

R Square	
Y	0.499

Source: Data processed with Smart-PLS 3.0, 2020

**Goodness of Fit Model**

Structural Goodness of Fit Model Testing on the inner model uses predictive relevance (Q<sup>2</sup>) value. The Q-square value (Q<sup>2</sup>) that greater than 0 (zero) indicates that the model has a predictive relevance value. The R-square value of each endogenous variable in this study can be seen in the calculation of the predictive value of relevance obtained by the formula:

$$Q^2 = 1 - (1 - R^2)$$

$$Q^2 = 1 - (1 - 0.499)$$

$$Q^2 = 1 - 0.501$$

$$Q^2 = 0.499$$

The calculation results above show a predictive relevance value of 0.499>0. This means that 49,9% of the variation in the Online Repurchase Intention (dependent variable) is explained by variables used, thus the model is said to be feasible to have the relevant predictive value.

**Hypothesis Testing Result**

**Table 6 Hypothesis Testing Results**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
X1 -> Y1	0.265	0.273	0.082	3.238	0.001
X2 -> Y1	0.229	0.229	0.075	3.066	0.002
X3 -> Y1	0.35	0.35	0.115	3.038	0.003

The estimated value for the path relationship in the structural model must be significant. This significance value can be obtained by bootstrapping procedure. See the significance of the hypothesis by looking at the value of the parameter coefficient and the value of the significance of t-statistics on the bootstrapping report algorithm. To find out significant or insignificant seen from the t-table at  $\alpha$  0.05 (5%) = 1.96. Then, t-tables are compared by t-counts.

Based on Table 4.9 above, various matters are explained as follows:

1. e-Trust has a positive influence on Online Repurchase Intention, because of t- statistics > t-table (3.238>1.96) so the hypothesis is accepted. It means e-Trust influences Online Repurchase Intention.
2. e-WOM has a positive influence on Online Repurchase Intention, because of t- statistics > t-table (3.066>1.96) sot the hypothesis is accepted. It means e-WOM influences Online Repurchase Intention.
3. Web Quality has a positive influence on Online Repurchase Intention, because of t-statistics > t- table (3.038>1.96) so the hypothesis is accepted. It means Web Quality influences Online Repurchase Intention.

## CONCLUSION

By looking at the results of the research discussed, author can draw the following conclusions:

1. Electronic trust have positive influence towards online repurchase intention in Tokopedia. It can be seen t-statistics bigger than t-table which means e- trust have a role in influences the intention of repurchasing in Tokopedia.
2. Electronic word of mouth have positive influence towards online repurchase intention in Tokopedia. It can be seen t-statistics bigger than t-table which means e-wom have a role in influences the intention of repurchasing in Tokopedia.
3. Web quality have positive influence towards online repurchase intention in tokopedia. It can be seen t-statistics bigger than t-table which means web quality have a role in influences the intention of repurchasing in Tokopedia.

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