

Factors That Influence on Online Purchase Decisions (Student Case Study at the Faculty of Economics, Lancang Kuning University)

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ABSTRACT

The purpose of this research is to find out what factors influence people's decisions to buy online. This research is focused on students of the Faculty of Economics, Lancang Kuning University who have made purchases online. The method of taking illustrations in this research is to use purposive sampling. The requirements that will be sampled in this research are those who have made online purchases. According to research, the majority of Lancang Kuning University students have made at least 96 purchases online. Multiple linear regression analysis was used to study the effect of four variables on online purchasing decisions. The study found that four factors - trust, security, service quality, and perceived risk - all impact online purchase decisions simultaneously. There is no clear relationship between trust, security and quality of service and the decisions we make when buying products or services online. However, perceived risk appears to have a significant positive effect on online purchasing decisions.

Keywords: Trust, Security, Quality of Service, Perceived Risk and Online Purchasing Decisions

INTRODUCTION

With the rapid development of technology, many people use technology to carry out buying and selling transactions using the internet. This is not surprising considering that the number of internet users who continue to grow rapidly can be a potential market for business people to enter and the actual shopping that occurs is very fast, safe, and can be tried anywhere and anytime.

The use of the internet is increasingly popular in the eyes of the younger generation, including students. Students are part of society that is very close to the issue of access to information and the world of the internet. The same thing happened among students of the Faculty of Economics, Lancang Kuning University. The consumption pattern of students, especially the consumption of fashion products, has recently increased. Students are interested

in consuming fashion products because they want to follow the trends of today's youth.

The increasing number of manufacturers selling goods through online shopping, especially fashion products, will further increase students' willingness to make transactions through online shopping to meet their needs. Online shopping is a form of change presented by the internet in terms of innovation in shopping. The proliferation of online shops has opened up business opportunities in the field of fashion products on the internet, which mainly target teenagers as consumers.

Among students of the Faculty of Economics, Lancang Kuning University, shopping online through several existing sites is a facility that makes it easy to obtain the desired item in a relatively simple way, simply via a smartphone or gadget as well as a computer they have. Each student can directly enter the shopping ad and select the desired item.

Since the beginning of 2012 the development of online shopping in Indonesia is growing rapidly and quickly. Even though many say online purchases are very high risk in terms of payments made prior to delivery of goods, the various testimonials raised by the seller can convince the buyer.

Ease of payment also makes it very easy to shop through online shops. Buyers only have to be in front of a computer or gadget, the goods will arrive by themselves via a delivery service. The development of e-commerce along with the ease of payment has influenced people's online purchasing decisions, especially students.

The development of increasingly advanced technology has made the internet a medium not only for communicating, but also for shopping. According to (Dharmas, 2006) the benefit of e-Commerce for companies or organizations is that they can reach a wide marketing area without having to spend a lot of money on advertising. Another benefit, which can be felt by the public as consumers. Consumers can choose the goods or services they want 24 hours without a time limit and for potential consumers who are quite far from the location, there is no need to come directly to buy the goods they want, this will save more time and money.

Opening business transactions via the internet does not mean avoiding crime by other parties as in conventional transactions. The potential for crime in the form of fraud, credit card piracy, illegal transfer of funds from certain accounts, and the like is enormous if the e-Commerce infrastructure security system is still weak. Therefore, the security of e-Commerce infrastructure is an important and serious study for computer and informatics experts (Aghdaie, 2011).

Based on the problems described above, the authors are motivated to conduct research on "Factors Influencing Online Purchasing

Decisions ((Case Study of Students at the Faculty of Economics, Lancang Kuning University)".

METHOD

The type of data used in this study are: Primary data is data that provides direct data to data collectors (Sugiyono, 2013) To obtain primary data, researchers collect data directly by distributing questionnaires to respondents. Secondary Data data sources obtained through other people or documents. Secondary data was obtained from various sources such as books, reports, internet journals and other sources related to the research object.

Data collection techniques used in this study consisted of: Observation, namely the method of collecting data which is carried out by making direct observations on the object of research and making notes regarding the problem under study. Interview, namely the method of collecting data by asking questions directly with several students regarding the problem to be studied. Questionnaire is a method of collecting data by using a list of questions distributed to respondents.

RESULT and DICUSSION

1. Validity Test

Validity testing is carried out based on item analysis, namely correlating the score of each item with the variable score (the sum of all the question item scores). The correlation technique uses Pearson Correlation, calculated using the SPSS version 25 computer. The validity test in this study was conducted on 96 respondents with a significance level of 0.05 or 5%. The criteria for determining the validity of a questionnaire are as follows (Sugiyono, 2010).

Table 1.

Validity test results for 96 respondents

Variable	Indicator	r count	r table	Information
Trust (X1)	x1.1	0.656	0.125	Valid
	x1.2	0.858	0.125	Valid
	x1.3	0.804	0.125	Valid
Security	x2.1	0.896	0.125	Valid

	x2.2	0.891	0.125	Valid
	x2.3	0.778	0.125	Valid
	x3.1	0.699	0.125	Valid
	x3.2	0.678	0.125	Valid
	x3.3	0.787	0.125	Valid
	x3.4	0.682	0.125	Valid
Quality of Service	x3.5	0.524	0.125	Valid
	x3.6	0.772	0.125	Valid
	x3.7	0.797	0.125	Valid
	x3.8	0.712	0.125	Valid
	x3.9	0.64	0.125	Valid
Perceived Risk	x4.1	-0.012	0.125	Invalid
	x4.2	-0.035	0.125	Invalid
	x4.3	-0.021	0.125	Invalid
	y1	0.306	0.125	Valid
Buying decision	y2	0.302	0.125	Valid
	y3	0.281	0.125	Valid
	y4	0.268	0.125	Valid

Source: Results of Data Processing, 2022

Reliability Test Results the answers obtained from the respondents, Reliability means if a person's answer to a question is consistent or stable over time. The higher the reliability coefficient the more reliable while the results of the reliability test are as follows:

Table 2.
 Reliability Test Results.

- Comparing the value of r count with r table

Variable	Indicator	r count	r table	Information
Trust (X1)	x1	0.676	0.125	RELIABLE
Security	x2	0.818	0.125	RELIABLE
Quality of Service	x3	0.871	0.125	RELIABLE
Perceived Risk	x4	0.73	0.125	RELIABLE
Buying decision	y	0.86	0.125	RELIABLE

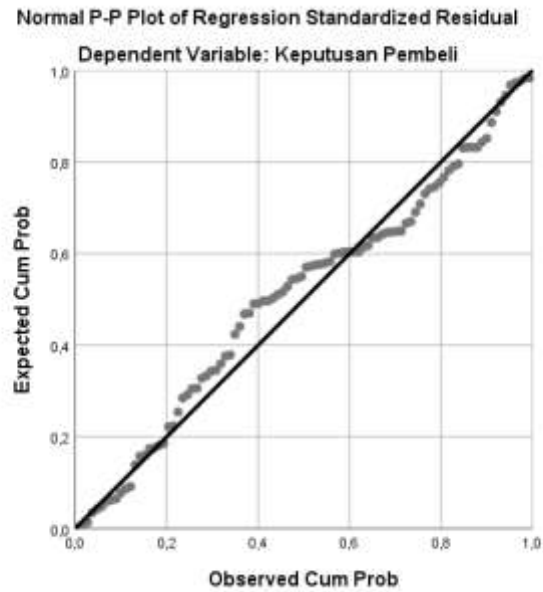
- Comparing Cronbach Alpha values

Variable	Indicator	r count	Cronbach Alpha	Information
Trust (X1)	x1	0.676	0.6	RELIABLE
Security	x2	0.818	0.6	RELIABLE
Quality of Service	x3	0.871	0.6	RELIABLE
Perceived Risk	x4	0.73	0.6	RELIABLE
Buying decision	y	0.86	0.6	RELIABLE

Source: Results of Data Processing, 2022

2. Results Normality test

Figure 1. P – P Plot Normality Test Results



Source: Results of Data Processing, 2022

Figure 1 above shows that the dots spread around the diagonal line and are in the same direction as the diagonal line. The scattering pattern illustrates that the data is normally

distributed, and it can be concluded that the regression model can fulfill the assumption of normality.

F Test Results (simultaneous).

Table 3. F Test Results (Simultaneous)

Model	Sum of Squares	df	MeanSquare	F	Sig.
1 Regression	239,837	4	59,959	22,959	,000b
residual	237,652	91	2,612		
Total	477,490	95			

a. Dependent Variable: Purchase Decision (Y)

b. Predictors: (Constant), Perceived Risk, Trust, Security, Quality of Service

Source: Results of Data Processing, 2022

Based on the test results in the table above, it can be seen that the calculated F value is 22.959 with the value of F table = f (k; nk), F table = (4, 96-2) F table = (4;94) = 2.47 so that the value F count > F table or 22.959 > 2.47, and

a significant level of 0.000 < 0.05, it can be concluded that the variables Trust, Security, Quality of Service and Perceived Risk simultaneously have a significant effect on purchasing decisions.

3. Results Partial test (t-test)

Table 4. t test results (partial)

Model	Unstandardized Coefficients		Standardized Coefficients Betas	t	Sig.
	B	std. Error			
(Constant)	2,970	1.146		2,591	0.011
1 Trust	0.05	0.124	0.04	0.405	0.687
Security	0.027	0.111	0.026	0.243	0.809
Quality of Service	0.111	0.057	0.246	1,943	0.055
Perceived Risk	0.547	0.123	0.47	4,449	0

a. Dependent Variable: Purchase Decision (Y)

Based on the table above by observing the row, column t and sig. can be explained as follows:

1. The influence of the trust variable (X1) has no effect and is not significant on purchasing decisions. This can be seen from the significant confidence (X1) $0.687 > 0.05$. And the value of t table = t (a/4 ; nk-1 = t (0.05/4; 96-2-1) = (0.0125;93) = 2.36582. It means t small count of t table ($0.405 < 2, 36582$) then H0 is accepted and H1 is rejected. So that the hypothesis that says it cannot influence trust in the buyer's decision is partially rejected.
2. The effect of the security variable (X2) has no effect and is not significant on purchasing decisions. This can be seen from the significant security (X2) $0.809 > 0.05$. And the value of t table = t (a/4 ; nk-1 = t (0.05/4; 96-2-1) = (0.0125;93) = 2.36582. It means t small count of t table ($0.243 < 2, 36582$) then H0 is accepted and H2 is rejected. So that the hypothesis that there is no security effect on the buyer's decision is partially rejected.
3. The influence of service quality variable (X3) has no effect and is not significant on
- 5.

- purchasing decisions. This can be seen from the significant quality of service (X3) $0.055 > 0.05$. And the value of t table = t (a/4 ; nk-1 = t (0.05/4; 96-2-1) = (0.0125;93) = 2.36582. It means t small count of t table ($1.943 < 2.36582$) then H0 is accepted and H3 is rejected. So that the hypothesis which says that service quality cannot influence customer decisions is partially rejected.
4. The influence of the risk perception variable (X4) has an effect and is significant on purchasing decisions. This can be seen from the significant perceived risk (X4) $0.000 < 0.05$. And the value of t table = t (a/4 ; nk-1 = t (0.05/4; 96-2-1) = (0.0125;93) = 2.36582. It means t small count of t table ($4.449 > 2.36582$) then H0 is rejected and H4 is accepted. So that the hypothesis that says it can influence the perception of risk on the buyer's decision is partially accepted

4. Test Results for the Coefficient of Determination (R²)

Table 5. Determination Coefficient Test Results
 Summary models

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	,709a	0.502	0.48	1.61603

a. Predictors: (Constant), Perceived Risk, Trust, Security, Quality of Service

Source: Results of Data Processing, 2022

Based on table 5, it is obtained that the coefficient of determination (R²) is 0.502 (50.2%), this number implies that Trust, Security, Quality of Service and Perceived Risk influence online purchasing decisions while the rest (49.8%) is influenced by other variables not present in this study.

is one of the most important factors when making online shopping transactions.

These results are supported by research conducted by (Oktavianingrum, 2014), where Trust variable (X1) has no influence on the Purchase Decision Variable.

DISCUSSION

1. The influence of trust on online purchasing decisions.

The influence of the trust variable (X1) has no effect and is not significant on purchasing decisions. This can be seen from the significant confidence (X1) $0.687 > 0.05$. Along with the rise of internet crimes that often occur lately such as fraud, credit card burglary, and other crimes in cyberspace, trust

2. The Influence of Security on Online Purchasing Decisions.

Security variable (X2) has no effect and is not significant on purchasing decisions. This can be seen from the significant security (X2) $0.809 > 0.05$.

And the value of t table = t (a/4 ; nk-1 = t (0.05/4; 96-2-1) = (0.0125;93) = 2.36582. It means that t is small from t table ($0.243 < 2.36582$).

This is supported by research conducted by (Sukma AA, 2012) where in this study there was no positive and significant



effect between security on purchasing decisions through social networking sites. This happens because there are still many consumers who doubt the webstore's ability to manage and maintain their personal data properly.

3. The influence of service quality on online purchasing decisions.

Service quality variable (X3) has no effect and is not significant on purchasing decisions. This can be seen from the significant quality of service (X3) $0.055 > 0.05$. And the value of t table = $t(a/4 ; nk-1) = t(0.05/4; 96-2-1) = (0.0125;93) = 2.36582$. It means that t is small from t table ($1.943 < 2.36582$).

This result is supported by a study conducted by(Arcahana and Vandana, 2012). In his research on the effect of e-service quality on consumer buying behavior in online shopping, he stated that currently prices and promotions are no longer able to determine consumer purchasing decisions. According to him, currently consumers also evaluate the quality of service when shopping online.

4. The Influence of Perceived Risk on Online Purchasing Decisions

There is a significant influence between Perceived Risk on Online Purchasing Decisions and valuesignificant perceived risk (X4) $0.000 < 0.05$. And the value of t table = $t(a/4 ; nk-1) = t(0.05/4; 96-2-1) = (0.0125;93) = 2.36582$. It means that t is small from t table ($4.449 > 2.36582$).

This result is supported by a study conducted by(Suresh and Shashikala, 2011). In his research on the effect of perceived risk on online purchases among consumers in India, he said that consumers have a higher perceived risk when making purchases online compared to when they make purchases through stores.

5. Effect of Trust, Security, Service Quality, Perceived Risk Simultaneously Influencing Purchase Decisions.

Based on the test results, it can be seen that the calculated F value is 22.959 with the F table = $f(k; nk)$, F table = $(4, 96-2)$ F table = $(4;94) = 2.47$ so that the calculated F value $>$ F table or $22.959 > 2.47$, and a significant level of $0.000 < 0.05$, it can be concluded that the variables Trust, Security, Quality of Service and Perceived Risk simultaneously have a significant effect on purchasing decisions

CONCLUSION

Based on the results of the analysis it can be concluded:

1. The results of this study prove that simultaneously the four variables of trust, security, service quality, and perceived risk simultaneously have an influence on online purchasing decisions.
2. Partially, trust does not significantly influence Online Purchase Decisions.
3. Partially, security has no significant effect on online purchasing decisions.
4. The results of this study prove that partially service quality does not significantly influence online purchasing decisions.
5. The results of this study prove that partially perceived risk has a significant positive effect on online purchasing decisions.

Based on the results of research and discussion, it can be suggested as follows:

1. Online shop must maintain and improve security so that consumers feel safe and calm when shopping online. This is because consumers have felt the ease, sense of security and trust in transactions. However, consumers do not fully feel safe and secure when shopping online. Because sometimes the goods offered do not match the goods sent to consumers.
2. Online stores must maintain and improve product information provided to consumers. Displays specific details of the products being sold, accompanied by pictures, prices, and the purchasing process.
3. Online shops must maintain and increase confidence in the guarantee of security for consumers. This is because consumers have felt the existence of privacy in managing consumer personal data in transactions.
4. The online shop website must maintain and improve the services provided to consumers. This is because consumers

- have experienced good service when transacting online.
5. For other researchers who are interested in the aspects of marketing strategy and the field of online shops. This research can be used as inspiration and reference for conducting research in similar fields.
 6. For further research, you can consider several things, including adding variables that are factors that can influence online purchasing decisions, as well as comparing several research objects such as other online buying and selling sites such as olx.co.id, kaskus, blibli.com or traveloka.com, sophee, lazada, Jo.id, and tokopedia so that they are expected to provide better results

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