

The Effect of Trust Towards Online Repurchase Intention with Perceived Usefulness As An Intervening Variable: A Study on KASKUS Marketplace Customers

Retno Setyorini* and Rizky Prima Nugraha
Telkom University, Bandung, Indonesia

Abstract. *Using the internet, producers and consumers can get more practical alternative to sell or to buy products or services that they want. Internet adoption is very important to the success of a company. The purpose of this study is to know the effect of trust towards online repurchase intention with perceived usefulness as an intervening variable. The respondents in this study consist of 400 KASKUS customers in Indonesia who has made twice or more transactions. The sampling method used in this study is convenience sampling. This research included in descriptive research with causal approach. Techniques of data analysis in this study using descriptive analysis and path analysis to determine the effect of each variable directly and indirectly. Therefore, the paper discusses the outcomes from The Effect of Trust Towards Online Repurchase Intention With Perceived Usefulness. The study shows the influence of the trust against online repurchase intention and perceived usefulness of consumers KASKUS as intervening variables were significant and positive with the indirect influence of 19.4%*

Keywords: *Indonesia, marketplace, online repurchase intention, perceived usefulness, trust*

1. Introduction

In the current era of globalization, the internet has become a matter that cannot be ignored in the development of a business. Using the internet, producers and consumers can get more practical alternative to sell or to buy products or services that they want. Internet adoption is very important to the success of a company. This is because, the internet has changed how business is conducted. It is a powerful tool that a business can use to obtain a competitive advantage. It offers many opportunities for businesses to grow sales and reduce costs. Yannopoulos, (2008).

The rapid technological developments followed by the growth of Internet users become the opportunities for the businesspersons. Based on the research conducted by Emarketers.com, a research

institute and a data provider based in New York, Indonesia has significant growth of new Internet users each year. This condition has positioned Indonesia in the sixth country with the largest internet users in 2014 and is projected to become the fifth country with the largest Internet users in the world by 2017.

Another study conducted by Global web Index shows 32 million Indonesian used the Internet to make online purchases. It is higher than some developed countries such as the UK (28 million), France (22 million), South Korea (21 million), and other major countries. The rapid growth of the Internet users has led to fierce e-commerce competition. Many new e-commerce sites that offer different concepts.

KASKUS is one of the largest discussion and trading sites in Indonesia. In February 2015 KASKUS is ranked as the 8th most-

*Corresponding author. Email: ennosrini@gmail.com

Received: April 12th 2016 ; Revised: June 23th 2016; Accepted: August 19th 2016

Doi: <http://dx.doi.org/10.12695/ajtm.2016.9.1.1>

Print ISSN: 1978-6956; Online ISSN: 2089-791X.

Copyright©2016. Published by Unit Research and Knowledge School of Business and Management-Institut Teknologi Bandung

visited-site in Indonesia. The rating is decreased compared to 2014, which was ranked as the seventh most-visited-site in Indonesia. As a market leader in e-commerce business, KASKUS has many competitors who can shift the position anytime. Under this condition, KASKUS is required to be able to encourage the online repurchase intention of the consumers through the website. With the large number of consumers who make repurchases, KASKUS will easily compete with all its competitors. Regardless of the type of product, however, a primary marketing concern is the increasing the probability of repurchases (Peter and Olson, 2010).

Trust is one of the main important factors in the business of e-commerce included in KASKUS. By Atif (Hu, 2008:93) describes the "e-commerce systems in the future should provide reliable services to give loyalty to the provider and consumer." One of the problems in KASKUS related trust is the more threat that contains complaints *kaskuser* who had losses caused by Forum Jual Beli KASKUS.

Balakrishnan and Balraj (Kasim et.al 2012:268) stated that "Perceived Usefulness is one of the major behavior that influence consumers' intention in selecting an e-commerce business". From the opinions of consumers KASKUS in Forum Jual Beli KASKUS in 2015, Consumers often have trouble finding a product and sell products owned. The addition of some features and a reduction in a long feature just makes consumers in finding the desired product.

Another problem faced by KASKUS is related to the trust and the perceived usefulness of the consumers. This is demonstrated by the increasing number of forum threats which contains consumers' complaints that suffered losses caused by the fraud related to transactions. It shows that KASKUS less able to provide a safe and reliable products and services to the customers. In addition, many consumers are complaining about the reduction in

some feature that has actually become an obstacle to consumers. Based on those backgrounds, the purpose of this study is to determine the effect of the trust towards the online repurchase intention and the perceived usefulness as the intervening variables.

2. Literature Review

2.1. Trust

Trust is very important in an online business. It is because the risk of online shopping is bigger than shopping in a traditional way. Trust needed because consumers have concerns that products they buy not in accordance with the quality of being offered and delivery not timely. In general, the trust is seen as the key element to build on the success of a company. Without a trust, the company will be difficult to establish long-term relationships with its customers. According to Kotler and Keller (2012) trust is the willingness of a firm to rely on a business partner. It depends on a number of interpersonal and interorganizational factors, such as the firm's perceived competence, integrity, honesty, and benevolence. Kotler and Keller (2012) that Building trust can be especially tricky in online settings, and firms often impose more stringent requirements on their online business partners than on others. The buyers sometimes worry that they will not get the product with the expected quality delivered to the right place at the right time.

Chiu et al. describes trust as a particular set of beliefs; especially those that are associated with virtue, competence and integrity of the other party (2009). A lack of trust prevents buyers from engaging in online shopping because they are unlikely to transact with a vendor who fails to convey a sense of trustworthiness, mainly because of fears of seller opportunism (Yusta and Schultz, 2011). When consumers initially trust their online vendors and have a perception that adopting online shopping is beneficial to shopping performance and effectiveness, they will eventually come to believe that online shopping is useful (Gefen, 2003).

2.2. Perceived Usefulness

Davis (1989) defines perceived usefulness as the degree to which a person believes that using a particular system would enhance his or her job performance. Lee et al. (2011) states that the perceived usefulness is defined as the extent to which a consumer believes that online shopping will enhance his or her transaction performance. In the online business, individuals will be more likely to make some transactions when the proficiency level of its use is considered useful. This is coherent with the opinion of Thompson et al. (In Purnama and Widiyanto, 2012) which states that individuals will use information technology if they know the positive benefits of its use.

Bhattacharjee (in Chiu et al. 2009) argues an individual is more likely to intend to undertake continued usage when such usage is perceived to be useful. Customers who have accomplished the shopping task of product acquisition in an efficient manner will be more likely to exhibit stronger repurchase intentions (Babin and Babin in Chiu, 2009). Thus, it can be seen that the consumers who get the benefit and positive uses of purchasing products or services tend to do the repurchase in the future.

2.3. Online Repurchase Intention

Repurchase intention occurs when consumers have done the purchasing of a product or a service before. Kimppa (2014) defines the repurchase intention as an intention to buy again the brand of a product. Hellier, et al. (2003) he individual's judgment about buying again a designated service from the same company, taking into account his or her current situation and likely circumstances. According Sutisna (2001), when a consumer obtains a positive response to the past actions, there will be a strengthening; his positive thoughts on what that person received will enable the individual to make the repurchases. Repurchase intention is the desire and the action of consumers to repurchase a product, because there is satisfaction on what that consumers require from a product (Nurhayati and Murti 2012).

According to various definitions, it can be concluded that the online repurchase intention is an intention of consumers to repurchase a product or a service offered by a vendor or online stores after getting a positive experience related to the use of the product or the service.

3. Methodology

As the dependent variable, online repurchase intention is influenced by trust and perceived usefulness. The relationship between these variables is based on previous research which was written by researcher Chiu, et al (2009). Improving costumers' online repurchase intention, trust and perceived usefulness is very important. According to Chiu et al. (2009) A customer who has a bad experience with an order delivery will have a low level of trust in the online vendor and is far more likely to switch to a different vendor for future transactions. In addition, previous studies also show that perceived usefulness is the main variable that supports online repurchase intention (Chiu et al.; Wen et al .; Lee et al .; Aren et al .; and Trisnawati et al.). Based on the literature review, the research model and research hypotheses of this research can be structured as follows:

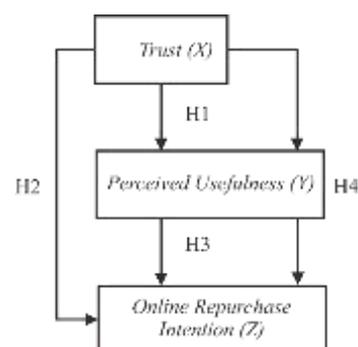


Figure 1. Research Model

Research hypotheses:

- H1. Trust affects the perceived usefulness.
- H2. Trust affects the online repurchase intention.
- H3. Perceived usefulness affects the online repurchase intention.
- H4. Trust affects the online repurchase intention with perceived usefulness as an intervening variable.
- H5.

3.1. Descriptive Analysis

Based on the results of the study can be concluded that trust of KASKUS consumers is included in the high category with the average percentage of 74.656%. The highest score 76.5% was obtained because consumers assume that KASKUS has given honest information to the consumers. KASKUS provides a help center page that contains the Frequently Asked Questions (FAQ) and other information that can help the consumers, beside that they provides customer service if the consumers want to ask directly to KASKUS.

The average percentage of the perceived usefulness' total score is 78.975%, which shows that consumers' perceived usefulness in KASKUS categorized as high. It shows that KASKUS has provided positive benefits to the customers. One of positive benefits obtained by consumers is the convenience in the transaction. KASKUS classifies each category of products or services offered. It makes consumers more easily to sell and buy goods or service.

The Online repurchase intention of KASKUS consumers is included in the high category with the average percentage of 78.479%. The highest percentage is 80.438% of the 400 respondents who stated that consumers would sell or buy products from KASKUS site in the future. With the particular percentage, the possibility of KASKUS consumers to conduct the online transactions through KASKUS is high.

3.2. Path Analysis

Testing path analysis in this study conducted in two phases; the first phase will examine the effect of trust on the online repurchase intention (sub-structure I), then the second phase will test the effect of trust on the online repurchase intention through the perceived usefulness (sub-structure II)

- Sub-structure I

Table 1.
Results of the sub-structure I

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	10.782	1.157		9.319	0.000
Trust	0.400	0.049	0.377	8.116	0.000
R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
0.377	0.142	0.140	03.181998	1.935	
a. Predictors: (Constant), Trust					
b. Dependent Variable: Perceived Usefulness					

The Path coefficient value of trust towards the perceived usefulness is shown by the value of a standardized coefficients table 1. The path coefficient value of X (trust) towards Y (perceived usefulness) obtained is 0.377. This value is the direct influence trust towards perceived usefulness (pyx).

The value of R square (R²) in the sub-structure I is 0.142. It means that the influence of trust variable towards the perceived usefulness is 14.2%, while 85.8% are influenced by other factors.

- Sub-structure II

Table 2.
Results of the sub-structure II

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.770	0.707		2.503	0.019
Trust	0.105	0.029	0.156	3.571	0.000
Perceived Usefulness	0.327	0.028	0.515	11.778	0.000
R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
0.591	0.350	0.346	1.762117	1.896	
a. Predictors: (Constant), Trust					
b. Dependent Variable: Perceived Usefulness					

The path coefficient of X (trust) towards Z (online repurchase intention) is 0.156. This value is the direct effect of trust on the online repurchase intention (ρ_{zx}). The path coefficient value of influence perceived usefulness towards the online repurchase intention is 0.515. This value is the direct influence of the perceived usefulness towards online repurchase (ρ_{zy}). The influence of trust towards the online repurchase intention through perceived usefulness is $0.377 \times 0.515 = 0.194$. The value of R square (R^2) in Table 2 is 0.350. It means that the effect of trust, and perceived usefulness towards the online repurchase intention is 35%, while 65% are affected by other factors.

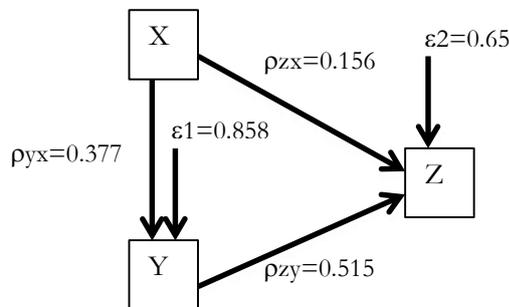


Figure 2. Path Analysis Diagram

4. Conclusion

4.1. Implications of the Research

In this study, our findings imply that trust and perceived usefulness are sufficient for increasing the customers' repurchase intentions to some extent. The trust could increase the consumers online repurchase intention directly or indirectly through perceived usefulness. Trust through perceived usefulness can lead to a higher level of consumers' online repurchase intention. Modern marketing approach which is based on long-term relationships with consumers is dominant around the world (Aren, 2013).

With high levels of customers' repurchase intentions the company will be able to compete with competitors. A company can use internet as an additional distribution channel. To increase the customers trust,

company can provide a safe and reliable products and services to the customers. A company should not act opportunistically even given the opportunity. To increase the level of perceived usefulness, a company must make an improvement to the website features and interface. With the improvement the company can provide convenience, increased performance, productivity, effectiveness and usefulness of the consumers to make some transaction.

4.2. Limitation and Future Research

There are some limitations in our study. First, the data were collected from a single online shopping store from Indonesia, KASKUS. Therefore, the future research can use several companies as the research object. In addition, research can be conducted on international online store such as Amazon, Ebay, etc. Second, possibly, future studies should consider extending this research to other countries for results comparison. Future studies can also extend the current study by adding some variables that can affect online repurchase intention. According to previous studies, the factors can affect online repurchase intention such as satisfaction, customer commitment, site quality (Amini and Akbari 2014), perceived ease of use (Aren et. al 2013), customer loyalty (Chinomona and Dubihlela 2014), net benefits (Fang et. al 2015), perceived value, firm's reputation, privacy, reliability, functionality (Lee et. al 2011) etc.

References

- Alexa. (2015). *Historical traffic trends comparison*. Retrieved March 9, 2015, from <http://www.alexa.com/comparison/KASKUS.co.id#?sites=lazada.co.id>.
- Amini, M, & Akbari, H. (2014). Studying effect of site quality on online repurchase intention through satisfaction, trust and commitment of customer. *Indian Journal of Fundamental and Applied Life Sciences*, 4(S4), 2839-2849.

- Aren, S., Güzel, M., Kabadayı, E., & Alpkan, L. (2013). *Factors affecting repurchase intention to shop at the same website*. The Proceedings of 9th International Strategic Management Conference. 99, 536-544.
- Chiu, C.M., Chang C.C., Cheng, H.L., & Fang, Y.H. (2009). Determinants of customer repurchase intention in online shopping. *Online Information Review*. 33(4), 761-784.
- Chinomona, R., & Dubihlela, D. (2014). Does customer satisfaction lead to customer trust, loyalty and repurchase intention of local store brands? the case of gauteng province of south africa. *Mediterranean Journal of Social Sciences*, 5(9), 23-32.
- Davis, F. D. (1989). Perceived usefulness, perceived ease-of-use, and user acceptance of information technology, *MIS Quarterly*, 13(3), 319-340.
- Emarketer. (2014). *Internet to Hit 3 Billion Users in 2015*. Retrieved February 23, 2015, from <http://www.emarketer.com/Article/Internet-Hit-3-Billion-Users-2015/1011602>.
- Fang, Y.H., Chiu, C.M., & Wang, E.T.G. (2011). Understanding customers' satisfaction and repurchase intentions. *Internet Research*, 21(4), 479-503.
- Global WebIndex. (2014). *Commerce Summary: March 2014*. Retrieved April 15, 2015, From http://cdn2.hubspot.net/hub/304927/file-550882268-pdf/Content_Marketing/GWI_Commerce_Summary_2014.pdf?submissionGuid=530e72ce-f5bd-49c9-9328-71d97937cf5b
- Hellier, P.K., Geursen, G.M., Carr, R.A., & Rickard J.A. (2003). Customer repurchase intention, a general structural equation model. *European Journal Marketing*, 37(11/12), 1762-1800.
- Hu, When-Chen (2008). *Selected readings on electronic commerce technologies: contemporary applications* (1st ed.) New York: Information Science Reference.
- Kimppa, K., Whitehouse, D., Kuusela, T., & Phahlamhlaka, J. (2014). *ICT and Society: 11th IFIP TC 9 International Conference on Human Choice and Computers, HCC11 2014*, Turku, Finland, July 30 - August 1, 2014. Heidelberg, New York, Dordrecht, London: Springer
- Kotler, Philip & Keller, Kevin L. (2012). *Marketing management* (14th Ed). New Jersey: Prentice Hall
- Lee, C.H., Eze, U.C., & Ndubisi, N.O. (2011). Analyzing key determinants of online repurchase intentions, *Asia Pacific Journal of Marketing and Logistics*. 23(2), 200-221.
- Nurhayati & Murti, W.W. (2012). Analisis faktor-faktor yang mempengaruhi minat beli ulang masyarakat terhadap produk handphone. *Value Added*. 8(2), 53.
- Peter, J. Paul & Olson, Jerry C. (2010). *Consumer behavior & marketing strategy* (9th Ed). Singapore: McGraw-Hill.
- Purnama, C.A., & Widiyanto, Ibnu. (2012). Studi tentang minat beli e-toll card di kota Semarang, *Diponegoro Journal Of Management*. 1(2), 300-310.
- Proceedings of the International Conference on Science, Technology and Social Sciences (ICSTSS). (2014). in Kasim, A., Atikah, W.S., Abdul Razak, N.H., Wahidah Musa, N.L., Abd Halim, R., Mohamed, S.R. (Eds.. *Proceedings of the International Conference on Science, Technology and Social Sciences (ICSTSS) 2012*.. Singapore, Heidelberg, New York, Dordrecht, London: Springer
- Sugiyono. (2013). *Metode penelitian manajemen*. Bandung: Alfabeta.
- Sutisna. (2001). *Perilaku konsumen dan komunikasi pemasaran*. Bandung: Penerbit PT. Remaja Rosdakarya.
- Yannopoulos, P. (2011). Impact of the internet on marketing strategy formulation. *International Journal of Business and Social Science*, 18(2), 1-7.
- Yusta, A.I., & Schultz, Roberta J. (2011). Understanding the effect of internet convenience on intention to purchase

via the internet. *Journal of Marketing Development and Competitiveness*, 5(4), 32-50.

Zikmund, W.G., Babin, B.J., Carr, J.C., & Griffin, M. (2010). *Business research methods (8th ed)*. South-Western: Cengage Learning.