The Analysis of Trust on the Purchase Intentions of Ramayana Application Users

Peylika, Nurlaela
Mercu Buana University
Jakarta, Indonesia

Abstract:- **The competition of retail business is getting tighter and encouraging the retail entrepreneurs to create innovations in running their business because as time goes by the society's purchasing behavior style shifts compared back to the time when people used to purchase offline. Along with the vast and drastic development of the internet, many people shift to shop online. This research aimed at exploring and analyzing trust affecting the interest in purchasing on the use of the online application by PT. Ramayana Lestari Sentosa, Tbk. This research employed 30 respondents who were the people who have owned and downloaded the online application. The data collection was conducted by in-depth interviews and data analysis method using a content analysis. The conclusion from this research was that trust becomes one of the factors in affecting the interest in purchasing through the online application.**

Keywords:- Trust, Purchase Intentions, Online Application, Retailing, Application Access, Reputation of Application, Product Variation, Product Information.

I. INTRODUCTION

In the globalization area as nowadays, the internet brings the connection and transparency to the human life. The advancement and development of internet all over the world give positive impacts on the way of practitioners and companies in running their businesses. The internet users all over the world have reached more than 4.1 billion. The biggest number of internet users with the number of internet users is in Asia more than 2 billion (48.7%), followed by Europe with 704 million (17%), and Africa with 453 million of the internet users (10.9%). In December 2017, it is noted that the internet users in Indonesia reached the number of more than 143 million or 7.1% out of the total of internet users in Asia (Internet World Stats, 2018).

As we know, the internet use and the development of technology in Indonesia year by year significantly increase and alter the consumers' behavior in purchasing in which many Indonesians purchase products online. The development of retail business in Indonesia is getting tighter recently demanding the retail business entrepreneur to compete for one another in getting the consumers as many as possible. With the rate of business competition, retail entrepreneurs no longer only focus on marketing activities to find new buyers, but also maintain and improve consumer trust. Accordingly, many kinds of online applications are created by companies in the retail field with the aims to maintain the consumer trust and enable them to get many kinds of information and find out more about the newest products and make it easy for them to shop.

A consumer trust is a form of support from the consumers themselves on the performed effort to obtain something that they expect. In which through the consumer trust, it will give the support related to the determined decision to purchase. The consumer trust in using information technology in performing a transaction is one of the initial steps of the consumers to create an interest in purchasing. Various strategies are performed to give the trust related to the effort to create the consumers' interest in purchasing.

One of the companies utilizing the online member card program application is PT. Ramayana Lestari Sentosa, Tbk. The online member card program application is the media for consumers to find out about the newest products Ramayana department store.

By registering as the member of Ramayana, the consumers will receive some benefits as the ease of transaction, practical shopping with points, exclusive promotion and discount, especially for the member cardholders in all Ramayana outlets, cash back promo, and flash sale information with the cheapest price being held every day. PT. Ramayana Lestari Sentosa Tbk is one of the conventional retail companies which moves forwards along with the change of era by penetrating into the digital realm.

The phenomenon occurred in PT. Ramayana was in January 2018, Ramayana performed the planning of creating the application for the member cardholders and PT. Ramayana incorporated with DANA company in creating the online member cars application. The purposes of this application are to enable the shopping transaction and creating a closer relationship with the consumers. After finding the developer in February, PT. Ramayana has created the online member card application but not launched for the public, it is online as internal learning. From the problems above, this research focuses on investigating the consumer interests in purchasing in the use of online member card application in PT. Ramayana Lestari Sentosa Tbk.
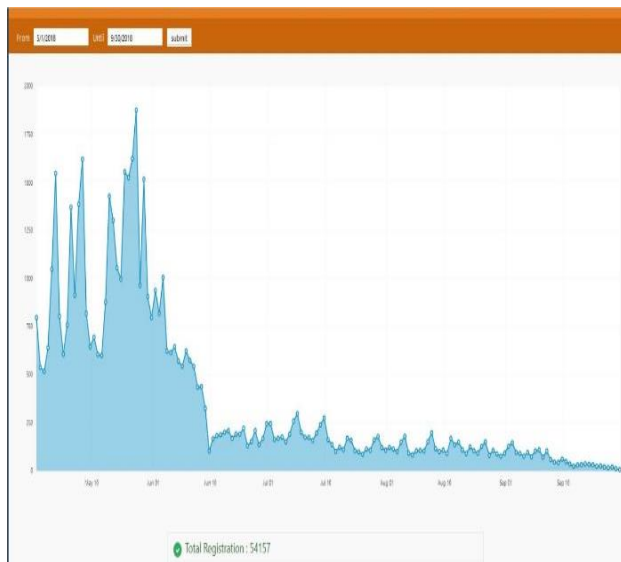
Fig 1:- The number of consumers performing registration on the online member card application

Based on Figure 1, it explains that the number of consumers who perform registration in online member card application since Mat until September is 54.157 consumers. On 1st to 28th of May was the highest point of consumers in doing the registration reaching up to nearly 20.000 people. However, since 28th of May up to today, the number of consumers who perform registration is declining.
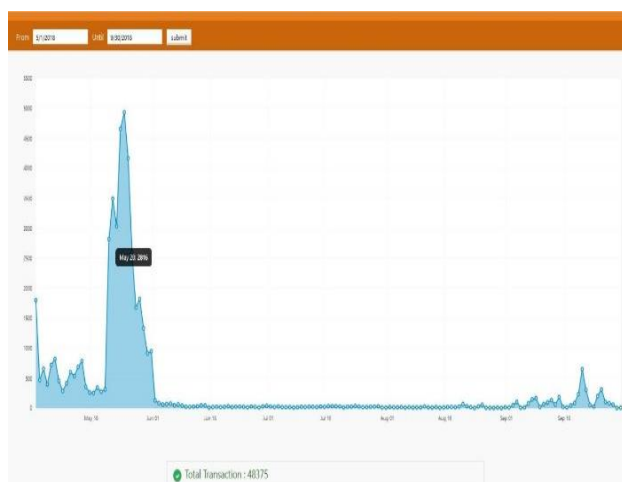

Fig 2:- The number of consumers performing a transaction using the online member card application

Figure 1 explains the number of consumers who perform the registration of online member card, and then Figure 2 explains the number of consumers perform a transaction after performing the online registration. On 1st to the 24th of May was the highest point when the consumers performed the online transaction that is reaching 5000 people. However, the occurring phenomenon was since 25th of May up to recently, only 50 to 100 people who performed transaction each month.

From the issues above, this research focuses on exploring the consumer trust on the interest in purchasing in the use of online member card application in PT. Ramayana

Lestari Sentosa Tbk. Based on the aforementioned aspects; the research problem can be formulated as whether trust affects the interest in purchasing in the use of online member card application. Meanwhile, the objective of the study was to find out whether trust affects the interest in purchasing in the use of online member card application in PT. Ramayana Lestari Sentosa, Tbk.

II. LITERATURE REVIEW

Basically, trust is a psychological condition in performing the activity in this case trust in purchasing a product. Trust according to Kasper (2009:149) is the essence of relationship and implies various requirements and expectation for the related parties. While according to Mayer *et al* (1995), trust is defined as the willingness of someone to be sensitive on other's action based on the expectation that other's action will impact on certain things on the people who believe them, without depending on their ability to supervise and control it. The dimension of trust in relation to online shop is closely related with the consumer belief and online vendors (Chen and Dhillon, 2003). Gefen and Straub (2004) conclude that the higher the degree of consumer trust, the higher the consumer interest in purchasing. The trust in the shopping behavior must be based on the trust so that the interest appears.

The customer's trust is strengthened through an interaction with other customers and the brands in the social media websites (Kim and Ko, 2012). The development of the World Wide Web has generated a new form of creation from the transaction of electronic retails (e-tailing) or web shopping. Therefore, the involvement of customers in online shopping has been an important trend. Accordingly, it is significantly important to identify the determining factors of interest in online purchasing by customers (Ling *et al*, 2010).

A research model describes the behavior of purchasing in an online market proposed by involving three variables and among them is trust. The variable of trust becomes an effective suggestion in establishing an online social market and combined with structural factors from information and technology for technological use. The perspective of e-commerce needs a special attention in a study (Lu, *et al*, 2015). The importance of e-commerce keeps growing in retail, providing the company with tools to enhance the strategies of commercial and marketing. In this context, understanding the distribution path becomes the basic problems for managers and academicians (Tomas, 2016).

The trust in e-commerce is very good as a part of the research because it keeps on increasing every day. The characteristics of consumers in trusting online shopping is an important aspect (Oliveira *et al*, 2017). The internet has become resourceful in the business world in the online transaction, these benefits the time of the consumers when shopping. The correlation between the buyer's interests is mediated by the trust. The strong perception of the product's work performance will generate the trust of the

online merchants (Hong & Cha *et al*, 2013). The service owner must have honest and authentic information about the products that they sell on their website all the time (Arun, 2012). The direct and positive trust is affected by safety perception and the quality information of participants, and it positively affects the value experienced by consumers and their interest in shopping online fashion (Tomas, 2016).

The increasing rate of consumer trust will be beneficial to improve the interest in purchasing. In order to realize it, then e-commerce is essentially needed and is effective (Illyoo *et al*, 2013). In the research conducted by Arun (2012), it states that trust in online affects the interest in purchasing online. There is no difference between the Indian consumers and global consumers in requiring trust during online shopping.

III. RESEARCH METHOD

This research describes or reconstructs in-depth interviews on the research subjects so that it can describe the consumer trust on the interest in purchasing in using the online member card application in PT. Ramayana Lestari Sentosa Tbk. This research is a descriptive research which strived for explaining the problem solving based on the data. Accordingly, this research also presents data, analyzes, and interprets (Nobuko, 2009, pp.44). As aforementioned, a descriptive research explains a situation or phenomenon. The research does not look for or explain a correlation or making predictions.

A. Research Population and Samples

According to Janet M. Ruane (2008), the research population is all the samples used in the formal research employed by the interested researcher to study something on a certain thing or people or big group. A population is a group of people, phenomenon, and things selected as research objects. If the desired things to be studied are consumer trust on the interest I purchasing in using the online application, then the population is the consumers who have done registration and transaction in the application (Nana Syaodih, 2010). The population in this research is the Jakarta people who have done registration and transaction in the application.

In this research, the technique used for sampling was the purposive sampling method or commonly known as consideration sampling. According to Arikunto, purposive sampling is a sampling technique used when there is a certain consideration in sampling for certain purpose. The sampling technique in this research was non-probability which included people who are selected based on certain criteria made by the researcher, while people who are not appropriate were not selected as samples. (Kriyantono, 2006.pp 145). The criteria in the research are in the followings:
- Domiciled in Jakarta city
- People who have done registration in the application
- People who have performed transaction

B. Data Collection Method

- *Interview* according to the definition of the interview, it is defined as a technique of data collection by exchanging verbally and face-to-face by an interviewer and the respondents. The interviewer strives for gathering information or statements, and beliefs from the research subjects (Maccoby and Maccoby, in Minichiello *et al*, 1995)

- *Observation*. A method where the researcher directly observes the research objects. (Krisyantono, 2007: 66)

C. Data Presentation Method

Qualitative data analysis is a form of analysis which is based on the data presented in a description. These qualitative data are the data which can only be measured directly. The process of qualitative data analysis is conducted on stages as the followings:

- *Editing*

  Editing is selecting or taking the needed data and remove the unnecessary ones to make it easier for hypothesis testing.

- *Coding*

  Coding is a process of giving certain codes on various answers from the questionnaires grouped in the same category.

- *Scoring*

  The questionnaire was made using a 10-point Likert scale. There was also the highest score was 10 with the response of "strongly agree and the smallest score was with the response of "strongly disagree".

- *Tabulation*

  Tabulation is an activity of grouping on the answers conducted meticulously and organized, then the data were then calculated and summed up until realized in the form of a beneficial table, and this table was also used to generate the correlation between the existing variables.

Qualitative content analysis is defined as a research method for subjective interpretation from the content of textual data through the systematic clarification process through coding and identification of theme and pattern. Its flexibility makes this instrument as a flexible tool and has a wide range which can be used as a methodology which stands alone or as a technique for a specific matter (Cooper & Schindler 2006, Pp.449). In this research, the content analysis was used as a qualitative method, by codifying the data into strong categories and the described statistically so that its approach is known as a quantitative analysis from the qualitative data (Morgan, 1993).

IV. DISCUSSION AND RESULTS

A. General description of respondents

Prior to analyzing the correlation between variables and reviewing the correlation from the obtained data, the researchers first identified the data which can be categorized as considerations and the source of information in analyzing one of them is the respondents' demography data. In this research, the researchers opted to choose using a purposive sampling, wherein the selection of the respondents is performed based on the researcher's assessment, considered as appropriate and met the criteria where the respondents have performed the installation of Ramayana application. In addition, it is because the researchers mostly conduct their activities in Jakarta then all the respondents in this research domiciled in Jakarta. The difference of residency composition did not become the affecting factor, because the researchers only expected to see the responses on the consumers' interest in purchasing in using the online application made by PT. Ramayana Lestari Sentosa.

B. Trust in Online Application

Based on the results of the interview conducted by the researchers, 67% out of 30 respondents stated that trust is an important factor in determining the interest in purchasing in the online application. While 33% of them stated that trust is not the main factor in determining the interest in the online application.

➢ Ease of Application Access

All respondents in this research are the people who use the online application in the shopping activities, 54% of respondents stated that the ease of access of the online application is seen when doing the selection of products from each display of application homepage is easy to understand. Besides the product selection and the application display, the way of purchasing is also an important aspect when accessing the application. While 46% of respondents stated that the ease of access in the application is a minor aspect.

➢ Reputation of Application

80% of the respondents stated that the reputation of the application is an important aspect because it is one of the factors determining the credibility of a company in creating an application. Then, 20% of the respondents stated that the reputation of the application is not an important aspect of the shopping activity.

C. Purchase Intentions

Overall respondents stated that the interest in purchasing in an online application can be affected by the application display with convincing features or product pictures. On the other side, the variation of products would also affect the interest in purchasing. And the information on various promotion displayed in the application also affected the society' interest in purchasing in an online application made by Ramayana.

D. Correlation Analysis between Variables

Trust on the online application can be said as effective when the dimension between ease of access and reputation in the application can be run appropriately. Therefore, it can affect the society's interest in purchase. Although not all dimensions in each variable run appropriately, a product (online application) can affect the application users.

Variable of Trust (X)	Variable of Interest in Purchasing (Y)
Ease of Application Access	Features or Product pictures
Reputation of Application	Variation of products
	Information on product promotions

Table 1:- Description of Variables' dimension

Based on Table 1, the dimension of each variable can be seen showing that almost all respondents stated that the ease of access and reputation in the application can affect the society's interest in purchasing in which inside includes the features of images/ pictures, variations, and information of the product. In that explanation, the researchers can see a correlation in each research variable and that the society's trust can improve the interest in purchasing in an online application.

V. CONCLUSION

Based on the results of interviews and the analysis of trust as aforementioned, it can be concluded that:
- ➢ The use of online application made by Ramayana can be said as effective by reviewing several aspects, among them is the ease of access in the application, it includes aspects as follows:
- • The shift of each page display is easy to access
- • The payment transaction process is easy to understand
- • *Button* in the home display is not many so that it is understandable

- ➢ Besides the ease of access, another factor in the reputation of an application is the importance of good branding of the application and the number of society who knows the application. The more the society knows the application, the better the reputation will be created for a company.

- ➢ Overall, the respondents stated that before the purchase or transaction of a product occurs in the application, there are several things that will be performed by the society, namely:
- • Paying attention to features/images in the application, this is related to the images of products which are attractive and having high resolution so that the color and the display of the images will look more real and attractive.

- Variation of the products affects the interest in purchasing due to the many choices being offered, and then the society can make a choice based on their needs.
- Information about the product promotion also clearly affects the interest in purchasing. This is because with the existence of display on various numbers of promotional information about a product in the online application then the society will know the promotional information of a product in detail.
- Overall, it can be concluded that the variable of trust affects the interest in purchasing which is the most significantly affecting dimensions namely the ease of access and reputation of application, where both dimensions can affect the interest in purchasing which include features, variation, and information on product promotions.

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