

Analyzing Online Purchase Intentions in Indonesia: Fashion e-Commerce

Iddo Ahmad Pramuji^{1,*}, Anton Agus Setyawan²

^{1,2} Faculty of Economics and Business, Universitas Muhammadiyah Surakarta, Surakarta, Indonesia

Abstract

Technological advances are constantly changing. One of them is technological progress in the field of e-commerce-based businesses, and the rise of e-commerce makes many people less confident in buying products. Therefore, companies need to understand the needs of the online market and provide products that are effective enough to motivate consumers to buy their products. This study aims to determine people's purchase intention when shopping online. This research uses quantitative research methods and the sampling method of this research is non-probability sampling. The data collection method used in this research is the distribution of likert questions. The group of people studied in this study is consumers who are interested in buying fashion through e-commerce number of participants: 150 people. Data analysis technique using his SmartPLS V.3.00 for data processing, this study found that perceived security has a positive and negative impact on trust. Information quality has a positive and significant effect on trust. A sense of security has a positive and negative influence on purchase intentions. Information quality has a significant positive effect on purchase intention. This study helps address the gap created by purchase intentions in online shopping. Particularly for fashion products, the findings require manufacturers to adopt better strategies to increase trust and improve purchase intentions by providing more information. This gives consumers more desire to buy.

Keywords: Online Purchase Intentions, Fashion E-commerce, Trust , Online Marketing

Introduction Section

The growth of Internet technology is currently advancing quite quickly and there are numerous advantages to this progress. The advancement of technology in the e-commerce industry is among them. E-commerce is no longer a fad, offering new chances to both customers and companies. Businesses are becoming more conscious of the fact that e-commerce is growing annually as we move toward an integrated reality. They frequently use this instrument as an extra avenue for corporate distribution as part of their business strategy. Taking part is necessary. As the importance of online shopping increases. For this reason, e-commerce managers and academics are facing a significant problem in trying to understand this distribution channel from both the user and firm viewpoints (Goldsmith and Flynn 2004; Kim et al. 2011; Siddiqui et al. 2003) in (Escobar-Rodríguez & Bonsón-Fernández, 2017).

Due to the ease of buying and selling, e-commerce is currently growing rapidly. Every year, e-commerce experiences tremendous growth and the business world begins to make plans to take advantage of this service. E-commerce offers consumers the convenience of carrying out transactions without requiring direct communication with the seller, which is another advantage. Therefore, companies must understand the demands of the internet market and offer sufficient quality features to attract consumers to buy their goods. One of the main factors influencing increased sales is service quality. This is what encourages people to make purchases online.

Businesses must understand the basics of what customers buy online. Because of its perceived efficiency and convenience, buying and selling goods online is very popular with most people (Selfie Dayanti, Ida Bagus Nyoman Udayana, 2021). This allows businesses to put their plans into action and create security measures to increase the trust of online shoppers. This research aims to examine consumers' intentions to make online purchases related to the fashion industry. Purchasing decisions are influenced by customer behavior, which is influenced by trust in online consumer behavior patterns (Turban et al., 2015: 408) in (Agustiningrum & Andjarwati, 2021). This research can provide data on consumer intentions in making online purchases. This research resolves the gap that arises from the use of the concept of purchase intention in online purchases, especially regarding fashion products.

* Corresponding author: b100200085@student.ums.ac.id

The relationships between information quality and purchase intention, perceived security and trust, and perceived security and purchase intention were all intended to be investigated in this study. The expected benefits of this research are as follows:

Theoretical Benefits

It is hoped that the findings of this research will expand our understanding of marketing, especially with regard to the variables that influence consumer buying tendencies.

Practical Benefits

To refine and perfect this research, it is hoped that the findings of this research will be able to establish marketing partnerships and become a source of information for further research.

Literature Review and Hypothesis Model

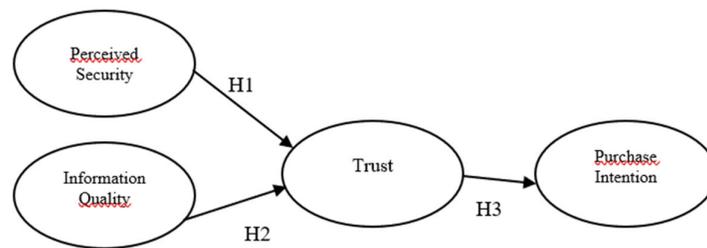


Figure 1. Conceptual Model.

Effect of Perceived Security on Trust

Perceived security, which is the ability of customers to be confident that their personal data (from a civil and financial point of view) will not be viewed, stored, or manipulated by third parties during transfer and storage, continues to increase customer expectations Iman Flaviano and Ginalo (2006) in (Halim, 2019). Perceived security is defined as the extent to which users believe that using online payments is safe (Chawla and Joshi, 2019) in (Ariningsih et al., 2022). Security has emerged as a factor that determines online purchase intentions and has been shown to positively influence internet usage intentions in various studies (Yousafzai, Pallister, & Foxall, 2003) in (Ariningsih et al., 2022). Security gives customers a sense of confidence when shopping. This trust cannot be recognized by other parties or business partners, but must be built from the start and can be proven (Kumala et al., 2020).

H1: Perceived Security has a positive and significant effect on trust

Effect of Information Quality on Trust

Information quality is essentially a matter of semantics, not technical efficiency or grammatical correctness. A sentence may be grammatically correct but not make sense. Engineering solutions can transport large amounts of missing data (Turing, 2021). According to Sari and Keni (2019) Information Quality is a measure of the success of receiving information by message recipients in accordance with the intention of sending messages by message senders with expectations, message recipients will understand the intentions of the message sender. Information quality is one of the important factors in gaining trust from consumers. The information provided must have benefits for consumers, be easy to understand, clear and always on time. Information quality is defined as consumer perceptions of information about products or services provided by a website Park and Kim, according to Brilliant and Achyar (2014) in (Dinata, 2020). Consumers who trust the sellers and brands offered by the website will buy without hesitation (Irvania et al., 2022).

H2: Information Quality has a positive and significant effect on trust

The Effect of Perceived Security on Purchase Intention

Security is very important in online business, online stores must be able to provide good security to their customers (Savalas, 2018) in (Dinata, 2020). According to research conducted (Anandita & Saputra, 2015), the security exchange has

five indicators: 1) transaction security, 2) ease of transactions with cash on delivery (COD) or bank transfers, 3) secure transaction codes, 4) identity security, and 5) guaranteed delivery cash (Uviyanti et al., 2022). Susanti et al. (2018) in (Putra & Aristana, 2020) state that purchase interest is the desire of consumers to buy a product or service in the future. Turban et al. (2015: 408) in (Agustiningrum & Andjarwati, 2021) suggest five stages of consumer decision making, namely: (1) Identifying situational problems, this occurs because of differences in customer choices between the situation they experience and the situation they want. (2) information and consumer needs are known, then consumers start looking for relevant information from various sources. (3) Assessment of consumer strengths that are representative and can be adjusted to their preferences. (4) Decision making, where consumers decide to buy goods and services; (5) Purchasing behavior after this final stage makes it possible to determine the level of satisfaction experienced by consumers.

H3: Perceived Security has a positive and significant effect on Purchase Intention

Effect of Information Quality on Purchase Intention

Information quality is the extent of the quantity, accuracy, and framework of information describing the benefits of products and services that can be provided online (Samudro & Widyastuti, 2020). According to Hanjaya et al. (2019), quality information helps consumers more easily understand and research everything about a product or service, thereby increasing their purchase intention (Samudro & Widyastuti, 2020). According to research by Park, C.H. and Kim, Y.G. (2003) in (Nurlinda, 2018), the higher the quality of information provided to online shoppers. The more interested they are in buying the product, it is said that the data will increase. Purchase interest is a motivator that can motivate and control consumers to buy a product or service (Sari and Keni, 2019). Purchasing plans can be influenced by many factors. Studying the factors that influence purchase intentions can help producers meet consumer needs. In addition, studying the factors that influence purchase intentions can strengthen the relationship between producers and consumers and create a mutually beneficial relationship (Mirabi, Akbariyeh, & Tahmasebifard, 2015) (Sari & Keni, 2019).

H4: Information Quality has a positive and significant effect on Purchase Intention

Metodelogy

This research is a study that uses quantitative methods. Quantitative research is a research method that uses statistical tools and data analysis. The data used in this research is primary data. Primary data refers to research data that comes directly from primary sources. The primary data of this study were obtained from questionnaires distributed to respondents. This quantitative research aims to test hypotheses against existing theories.

The research subjects were 150 consumers who purchased fashion products online. Non-probabilistic sampling is used as a sampling method. (non-probability sampling) where not all groups or members selected for sampling have the same chances or opportunities. Measured on a likert scale (1 to 5), given a weight of 1 point (strongly disagree), a weight of 2 points (disagree), a weight of 3 points (neutral), and a weight of 4 points (strongly agree), with a weight of 5 points (strongly agree).

Result And Discussions

This study aims to explain analyzing online purchase intentions in Indonesia: fashion e-commerce. The characteristics of respondents based on age show that most respondents are aged 21-23 years as many as 98 respondents (65.3%). Gender shows that female respondents dominate with 96 people as a percentage of 64%. Respondents who made purchases dominated 4 times the purchase as much as 33.3%.

Table 1. Respondent's Discription

Category	Frequency	Percentage
Age		
< 21 year	35	23,3
21 - 23 year	98	65,3
> 23 year	17	11,3
Amount	150	100
Gender.		
Male	54	
Female	96	36
		64
Amount	150	100,0
Purchase Intensity		

	21	14,0
1 Times	38	25,3
2 Times	41	27,3
3 Times	50	33,3
4 Times		
Amount	150	100

Source: Processed Data (2023)

Outer Model Analysis

The study's final external model yielded four indicators representing the purchase intention variable, two indicators representing the trust variable, three indicators representing the security perception variable, and three indicators representing the information quality variable. Indicators used in this research using SmartPLS V.3.00 and partial least squares (PLS) data analysis techniques, hypothesis testing was done. The PLS program model that was tested is summarized as follows. The specification of the relationship between variables is ascertained through external model testing. Testing for latency and indicators encompasses precision, dependability, and fluctuation. Here are the test results:

Convergent validity

Convergent validity is the relationship between the reflection indicator score and the latent variable score. While discriminant validity is a measure of reflective indicator scores and latent variable scores. The external loading value > 0.7 indicates that the indicator has good convergent validity. The following is the exogenous loading value of each indicator on the research variables.

Table 2. Outer Loading Results

Item	Information Quality	Perceived Security	Purchase Intention	Trust
X1.1		0,827		
X1.2		0,816		
X1.3		0,908		
X2.1	0,775			
X2.2	0,860			
X2.3	0,853			
Y1			0,820	
Y2			0,807	
Y3			0,826	
Y4			0,897	
Z1				0,853
Z2				0,920
Z3				0,883

Source: Processed Data (2023)

According to Shin (1998), a measurement scale loading value of 0.5 to 0.6 is considered sufficient to meet the requirements of convergent validity. Convergent validity is the factor loading value of a latent variable with an indicator (Saputra et al., 2023). This shows that there are no variable markers whose outlier loading value is less than 0.5 so that statements containing all markers are available or can be used in this study and cannot be used for further analysis. In addition to overseas baggage screening.

Discriminant validity

Discriminant validity is the repeated measurement of an indicator with a latent variable score. The accuracy of interpretation is measured by the Average Variance Extracted (AVE) method. The Average Variance Extracted (AVE) > 0.5 indicates convergent validity (Fornell, C. & Larcker, 1981). The AVE value of each variable in this study can be found using the Average Variance Extracted (AVE) method on each indicator having a criterion of > 0.5 is considered valid.

Table 3. Average Variance Extracted (AVE) Results

Variabel	Average Variance Extracted (AVE)	Description
<i>Perceived Security</i>	0,725	Valid
<i>Information Quality</i>	0,689	Valid
<i>Trust</i>	0,784	Valid
<i>Purchase Intention</i>	0,702	Valid

Source: Processed Data (2023)

From the data table above, it is known that the AVE value of all variables is greater than 0.5, which means that all variables have good discriminant validity.

Composite reliability

Reliability Testing Reliability is a tool used to measure a questionnaire and an indicator variable (Mudakar Issa, 2019). Overall reliability is the part used to test the reliability of an indicator variable. If the composite reliability value > 0.7 then the variable can be said to meet composite reliability. The following is the value of the overall reliability results for each variable.

Table 4. Composite Reliability Results

Variabel	Composite Reliability	Keterangan
<i>Perceived Security</i>	0,887	Reliabel
<i>Information Quality</i>	0,869	Reliabel
<i>Trust</i>	0,916	Reliabel
<i>Purchase Intention</i>	0,904	Reliabel

Source: Processed Data (2023)

Based on the data above, the composite reliability value of all variables is greater than 0.7, which means that all variables are reliable.

Ronbach's Alpha

The reliability test results are supported by the α criteria and Cronbach's assessment. Each variable is said to be reliable if its Cronbach's alpha value is greater than 0.7 (Nugroho & Amirudin, 2022). Below is the Cronbach's alpha value for each variable.

Table 5. Cronbach's Alpha Results

Variabel	Cronbach's Alpha	Keterangan
<i>Perceived Security</i>	0,810	Reliabel
<i>Information Quality</i>	0,775	Reliabel
<i>Trust</i>	0,862	Reliabel
<i>Purchase Intention</i>	0,858	Reliabel

Source: Processed Data (2023)

Based on the data above, it is found that the value of Cronbach's alpha for all variables is above 0.7, which means that all variables are reliable.

Multicollinearity Test

This test is to see if each independent variable has a correlation between independent variables or not. The applicable criteria in the multicollinearity test are if the VIF value is <3.5-5 (Nurjanah & Isa, 2021).

Table 6. Multikolinearitas Results

Variabel	<i>Purchase Intention</i>	Trust
<i>Information Quality</i>	1,464	1,330
<i>Perceived Security</i>	1,690	1,330
<i>Trust</i>	1,714	

Source: Processed Data (2023)

Based on the data above, it can be seen that the VIF value of each variable is less than 3, so it can be said that the model is free from multicollinearity symptoms.

Inner Model Analysis

In this study, the results of the model fit test (goodness of fit), path coefficient test and hypothesis testing will be explained.

Model fit test (goodness of fit test)

To demonstrate the relationship between manifest variables and latent variables from primary, intermediate, and outcome predictors in complex models, structural model evaluation is done. Two tests are used to assess the quality of this model: R Square (R²) and Q-Square (Q²). Greater determination is indicated by a higher R² value. It is possible to conclude that the model is strong, moderate, and weak based on R² values of 0.75, 0.50, and 0.25. The study's coefficient of determination has the following value. The R-square value is derived from data processing carried out with smart PLS 3.0.

Table 7. R Square Results

Variabel	R Square	R Square Adjusted
<i>Trust</i>	0,417	0,409
<i>Purchase Intention</i>	0,669	0,662

Source: Processed Data (2023)

Based on the results above, the effect of Perceived security and Information Quality variables on the Trust variable is 0.417 or 41.7%. Meanwhile, the effect of Perceived security and Information Quality variables on the Purchase Intention variable is 0.669 or 66.9%.

The good of fit assessment is known from the Q-Square value. The Q-Square value has the same meaning as the coefficient of determination (R-Square) in regression analysis, where the higher the Q-Square, the better or more fit the model is with the data. The calculation results of Q-Square are as follows:

$$\begin{aligned}
 \text{Q-Square} &= 1 - [(1-R^2_1) \times (1-R^2_2)] \\
 &= 1 - [1 - 0,662] \times [1 - 0,409] \\
 &= 1 - (0,338 \times 0,591) \\
 &= 0,800
 \end{aligned}$$

Based on the calculation results, the Q-Square value is 0.800 or 80%. It is found that the amount of diversity of research data that can be explained by the research model is 80% while 20% is explained by other factors that are outside this research model. From this research model it is stated that it has been declared to have good goodness of fit.

Hypothesis Test

The results can be used to address the hypotheses put forth in this study, depending on the data processing that was done. In this study, the P value was used to determine whether to accept or reject the hypothesis. If the P value was less than 0.05, the hypothesis was accepted. Along with independent, dependent, and indirect variables, this study also includes direct and indirect effects. The following image illustrates how the Bootstrapping technology path factor in SmartPLS displays the outcomes of hypothesis testing:

Table 8. Path Coefisien (Direct Effect)

Influence Test	Original Sample (O)	P Values	Description
<i>Perceived security -> Trust</i>	0,459	0,000	Positive and significant
<i>Information Quality -> Trust</i>	0,280	0,003	Positive and significant
<i>Perceived security -> Purchase Intention</i>	0,130	0,024	Positive and significant
<i>Information Quality -> Purchase Intention</i>	0,139	0,033	Positive and significant
<i>Trust -> Purchase Intention</i>	0,649	0,000	Positive and significant

Source: Processed Data (2023)

Discussion

The results of data processing using SmartPLS V.3.00 are as follows:

1. It has been demonstrated that the variable perceived security has a positive and significant impact on Trust; the initial sig value was 0.000, and the original sample size was 0.459, indicating that the variable can have an impact on Trust if

$0.000 < 0.05$. These findings demonstrate the validity of the first hypothesis, which holds that perceived security significantly and favorably affects trust.

2. Variabel information quality has a positive impact and is positively correlated with trust. This is demonstrated by the fact that the original sample was 0,280, and the correlation coefficient was 0.003, meaning that $0.003 < 0.05$, indicating that there is a positive and significant correlation between the variables. The results indicate that the two hypotheses about information quality have a positive and significant impact on trust in the learning process.
3. There is evidence that the perceived security variable has a positive and significant impact on purchase intention. The original sample is 0.130, and the sig value is 0.024, indicating $0.024 < 0.05$. These results indicate that the perceived security variable plays a significant and positive role on purchase intention. This finding supports the third hypothesis, which states that perceived security significantly and positively affects purchase intention.
4. Purchase Intention is positively and significantly impacted by the Information Quality variable. It has been demonstrated that the initial sample was 0.139, and the sig value was 0.033, indicating that $0.033 < 0.05$, indicating a significant and positive influence. Purchase Intention is positively and significantly impacted by the Information Quality variable. These findings demonstrate the validity of the fourth hypothesis, which holds that information quality significantly and favorably influences purchase intention.

Conclusion and Suggestions

Conclusion

Based on the results of the analysis conducted in this study, the following conclusions can be drawn:

1. Perceived safety has a significant positive effect on trust.
2. Information quality has a positive and significant effect on trust.
3. Perceived safety has a significant positive effect on purchase intentions.
4. Information quality has a significant positive effect on purchase intention.

Research Limitations

The author realizes that the research conducted has limitations. These limitations need to be considered for future researchers and readers. The limitations of this research include the following:

1. The influence factor of Purchase Intention is limited to Perceived security and Information Quality through Trust, so the scope is not broad enough to be taken into consideration in making marketing management decisions.
2. The scope of consumer research is limited to consumers through online and the time used in the study is limited, so the results cannot be compared with other similar areas and the research results are less than optimal.

Suggestions

The suggestions for further researchers based on this research are as follows:

1. Complete independent variables so as to expand knowledge in the field of management, especially marketing management. In addition, it also modifies the research model by adding variables such as mediation variables.
2. Suggestions for marketplaces and business people are to always increase Purchase Intention through Perceived security and Information Quality so as to create sustainable consumption behavior. In addition, provide information to consumers that the data provided to the marketplace will be safe and not distributed.

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