

Exploring the Factors Shaping Purchase Intention and Their Impact on E-Commerce Purchase Decisions in Malang City

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ABSTRAK

This study aims to analyze the factors that influence purchase intention and its impact on purchasing decisions among e-commerce consumers in Malang City. The variables examined include perceived risk, perceived benefits, trust, and brand image, with purchase intention serving as a mediating variable. This research adopts a quantitative approach by surveying 150 respondents selected based on the criteria of being active e-commerce users in Malang City. Data were collected through an online questionnaire and analyzed using Structural Equation Modeling based on Partial Least Squares (SEM-PLS). The results indicate that perceived benefits and perceived risk do not have a significant effect on purchase intention. In contrast, trust and brand image have a significant positive effect on purchase intention. Furthermore, purchase intention serves as a significant mediator in the relationship between trust and brand image and purchasing decisions. These findings contribute theoretically to the development of consumer behavior literature in the context of e-commerce. Practically, the results offer strategic insights for e-commerce industry players to prioritize trust and brand image in formulating effective marketing strategies.

Keywords: Brand Image, Perceived Benefits, Perceived Risk, Purchase Decision, Purchase Intention

1. INTRODUCTION

1.1. Background

The surge in internet users has opened up substantial opportunities for the expansion of e-commerce activities. Indonesia's e-commerce sector is currently undergoing rapid development, largely due to the seamless exchange of information regardless of physical distance. This trend is fueled by the steady rise in internet penetration and the integral role of the internet in everyday life (APJII, 2024). In 2023, internet penetration in Indonesia increased to 78.19%, up from 77.02% in the previous year, with around 215.62 million people connected—an increase of 5 million from the 210 million users in 2022.

The exponential growth of internet usage has significantly contributed to the rise of e-commerce, which is now a pivotal part of the global economic landscape. Kedah (2023) defines e-commerce as the activity of buying, offering to sell, or exchanging goods, services, and information through computer networks. This concept forms part of the broader e-business framework, which includes not only commercial exchanges but also customer service and business alliances. As explained by Nega (2019), e-commerce encompasses a range of business operations, administrative transactions, and information-sharing activities that utilize information and communication technology across various platforms and devices.

According to data from SimilarWeb, Shopee dominated Indonesia's online retail traffic in 2023, with approximately 2.35 billion visits throughout the year. It far outpaced other platforms, as Tokopedia recorded around 1.25 billion visits, Lazada 762.4 million, BliBli 337.4 million, and Bukalapak 168.2 million. Not only did Shopee lead in volume, but it also experienced a 41.39% growth in traffic during that period. In contrast, Tokopedia's traffic declined by 21.08%, Lazada dropped by 46.72%, and Bukalapak saw a 56.5% decrease. BliBli was the only competitor to show positive growth at 25.18% (Ahdiat, 2024).

Key factors such as perceived risk, perceived benefits, trust, and brand image are believed to significantly influence consumer purchase intentions, which subsequently impact their purchasing decisions. A study conducted in Semarang on Lazada's platform concluded that purchase decisions are largely shaped by purchase intentions, which determine whether consumers move forward with a transaction (Puspitasari et al., 2018). The study emphasized the role of various interconnected factors—such as perceived quality, pricing, and promotions—in shaping consumer intent. Additionally, Prakoso & Arifiansyah (2023) found that brand image exerts a substantial influence on consumers' purchasing decisions. A positive brand image plays a vital role in shaping customer perceptions and behavior toward a product. The more favorable the image of a brand, the greater the likelihood that consumers will prefer and purchase the product, as they associate it with safety and reliability.

This growing reliance on e-commerce raises critical questions about the underlying factors that influence consumer purchase intention, especially in terms of how these factors affect their ultimate buying decisions on digital platforms.

1.2. Literature Review and Hypothesis

Nagesh et al. (2024) describe perceived risk as the uncertainty that consumers feel when considering a purchase. This sense of uncertainty often generates hesitation and concerns about potential negative outcomes if the purchase proceeds. Supporting this, Martiah et al. (2023) emphasize that perceived risk significantly affects consumers' buying intentions. In line with this Khairunnisa et al. (2018), interprets perceived risk as a consumer's skepticism about whether a product will perform as expected. Therefore, this study interprets perceived risk as the uncertainty and ambiguity perceived by consumers before making a purchase decision.

Perceived benefits also hold substantial importance in shaping consumers' purchase intentions. Zhao et al. (2018) found that consumer perception of benefit directly correlates with their intention to buy. Kim et al. (2008), as cited in Rachbini (2018), define perceived benefit as a consumer's belief in the added value gained from engaging in online transactions on a specific site. Additionally, Şener et al. (2018) identify both utilitarian and hedonic values as positively influencing perceived benefits in the context of online shopping. Civelek's (2018) analysis, associate these values with emotional and experiential benefits. Khairunnisa et al. (2018) highlight the contrast between online and physical stores, suggesting that consumers perceive e-commerce as offering greater convenience and advantages. In the context of this study, perceived benefit is understood as the value consumers gain—such as ease of shopping, product variety, and flexibility—when engaging in e-commerce (Civelek, 2018).

Trust, as described by Puspitasari et al. (2018), is a consumer's willingness to rely on another party despite lacking control or protection. Alamsyah, Trijumansyah, and Hariyanto (2017) define it as the consumer's confidence in the reliability and integrity of sellers, individuals, or products, a notion supported by Gunawan et al. (2019). Furthermore, Jonsson et al. (2019), elaborates on electronic trust (e-trust) as consumer confidence when transacting with online retailers.

Brand image refers to how consumers perceive a brand both emotionally and rationally (Gunawan et al., 2019). A strong level of trust often results in increased customer loyalty, including repeat purchases and recommendations (Andriyanto et al., 2024). The brand image itself is assessed across several dimensions: brand identity, associations, consumer attitudes and behaviors and perceived brand value and competence (Ahmadian et al., 2023).

Based on the description of relevant previous theories and research, the following hypotheses are formulated:

H1: Perceived risk affects purchase intention

H2: Perceived benefits affects purchase intention

H3: Turst affects purchase intention

H4: Brand image affects purchase intention

H5: Purchase intention affects purchase decision

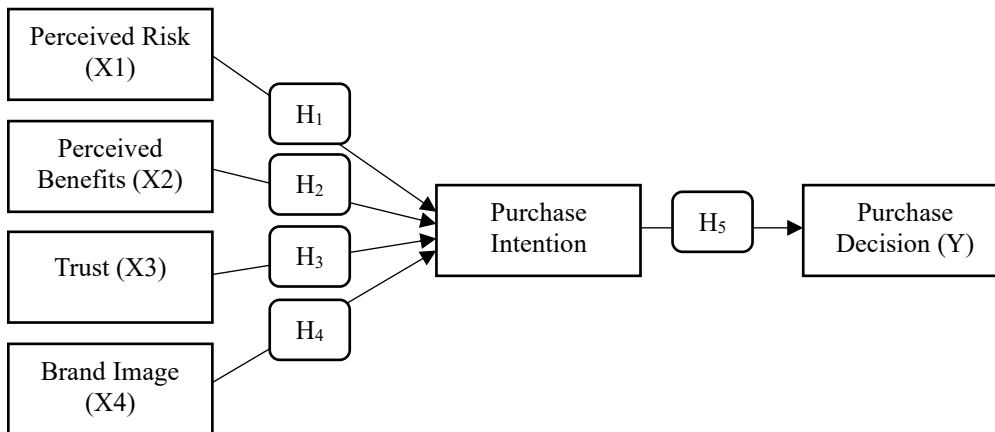


Figure 1. Conceptual Framework

2. RESEARCH METHODS

This study focuses on analyzing the factors that influence consumer purchase intention toward purchase decisions on e-commerce platforms in Malang City. The aim of this research is to gain a deeper understanding of consumer behavior dynamics in the context of online shopping, particularly among the younger generation, which represents the dominant age group in e-commerce usage. The research was conducted in Malang City, East Java, Indonesia. Malang was selected as the research location due to its high internet penetration rate and rapid development in the e-commerce sector. A total of 150 respondents were selected as the sample for this study. The research employs the Structural Equation Modeling based on Partial Least Squares (SEM-PLS) method as the data analysis technique. SEM-PLS was chosen because it is capable of analyzing complex models with latent and indicator variables, and it can also handle relatively small sample sizes effectively.

3. RESULT AND DISCUSSION

Table 1 Validity and Reliability Test

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
CM	0,876	0,877	0,904	0,574
KB	0,891	0,897	0,913	0,568
KP	0,879	0,881	0,903	0,509
MD	0,897	0,900	0,915	0,518
NP	0,862	0,867	0,894	0,548
RD	0,842	0,844	0,881	0,514

Based on Table 1, the results of the validity and reliability test show that all variables used in this study meet the criteria for good validity and reliability. The Cronbach's Alpha values for all variables are above 0.7.

Table 2. Model Fit Test

	Saturated model	Estimated model
SRMR	0,066	0,075
d_ULS	5,110	6,569
d_G	2,675	2,732
Chi-square	1871,666	1899,460
NFI	0,652	0,647

Based on Table 2 (Model Fit and Evaluation Results), the model evaluation indicates that the research model used has an acceptable level of fit. Several model fit indicators were analyzed to ensure the overall validity of the model.

Table 3. R-Square

	R-square	R-square adjusted
KB	0,555	0,552
NP	0,705	0,697

Based on Table 3 (R-square Test Results), the analysis shows the extent to which the independent variables contribute to explaining the dependent variable in the research model. The R-square value for Purchase Decision (PD) is 0.555, which means that 55.5% of the variability in purchase decisions can be explained by the independent variables, with Purchase Intention (PI) acting as a mediator. The remaining 44.5% is influenced by other factors outside of this research model.

Table 4. F-Square

	f-square
CM -> NP	0,235
KP -> NP	0,046
MD -> NP	0,013
NP -> KB	1,245
RD -> NP	0,001

Based on Table 4 (F-squared Test Results), it is shown that Purchase Intention (PI) has the greatest effect on Purchase Decision (PD), with an F-squared value of 1.245. This confirms that purchase intention is a highly dominant predictor in determining purchase decisions on e-commerce platforms. Brand Image (BI) shows a moderate contribution to Purchase Intention (PI), with an F-squared value of 0.235. Perceived Benefits (PB) and Perceived Risk (PR) have F-squared values of 0.013 and 0.001, respectively, indicating a very small influence on Purchase Intention (PI).

Table 5. Direct Effect Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
CM -> NP	0,515	0,500	0,098	5,255	0,000
KP -> NP	0,229	0,228	0,086	2,673	0,008
MD -> NP	0,120	0,123	0,107	1,119	0,263
NP -> KB	0,745	0,746	0,050	15,015	0,000
RD -> NP	0,035	0,051	0,098	0,356	0,722

Based on Table 5 (Direct Effect Test Results), several significant relationships were found between the variables in this study. The results indicate that Brand Image (BI) has a significant positive effect on Purchase Intention (PI). Additionally, the variable Trust (TR) also has a significant positive effect on Purchase Intention (PI). The influence of Perceived Benefits (PB) on Purchase Intention (PI) is not significant, indicating that perceived benefits do not directly affect consumers' purchase intention. Perceived Risk (PR) also does not have a significant effect on Purchase Intention (PI). These results suggest that purchase intention is the primary predictor that strongly determines consumers' decisions to purchase on e-commerce platforms.

Table 6. Indirect Effect Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T Statistics (O/STDEV)	P values
RD -> NP -> KB	0,026	0,038	0,074	0,354	0,724
CM -> NP -> KB	0,383	0,374	0,078	4,892	0,000
KP -> NP -> KB	0,170	0,170	0,064	2,667	0,008

MD -> NP -> KB	0,089	0,092	0,081	1,106	0,269
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Based on Table 6 (Indirect Effect Test Results), the analysis indicates that several variables in the model exert significant indirect effects on Purchase Decision (PD) through the mediation of Purchase Intention (PI). Brand Image (BI) has a significant indirect effect on Purchase Decision (PD). This finding suggests that a positive brand image enhances consumers' purchase intention, which in turn significantly contributes to their purchase decisions. Trust (TR) also has a significant indirect effect on Purchase Decision (PD) through Purchase Intention (PI). This reinforces the idea that strong trust in the platform or seller strengthens purchase intention, which then positively influences purchase decisions. Perceived Benefits (PB), on the other hand, do not show a significant indirect effect on Purchase Decision (PD) through Purchase Intention (PI). Similarly, Perceived Risk (PR) does not exert a significant indirect influence on Purchase Decision (PD) via Purchase Intention (PI), indicating that perceived risk does not pose a major barrier in influencing purchase decisions through the mediation of purchase intention.

Brand Image significantly and positively influences purchase intention. This demonstrates that the more positive the brand image of an e-commerce platform, the stronger the consumer's desire to make a purchase (Herniati et al., 2024). This finding is consistent with the theory that brand image contributes to forming positive consumer perceptions of the quality, trustworthiness, and value of the products or services offered. Trust in the e-commerce platform has a significant and positive impact on purchase intention. This indicates that consumers who are confident in the transparency, competence, and integrity of the platform are more likely to have the intention to purchase (Anh & Minh, 2024). These results support prior research by Puspitasari et al. (2018), which emphasizes the importance of trust in building long-term relationships between consumers and sellers. In the digital context, the security of payment methods and the transparency of information play vital roles in fostering consumer trust. Although benefits such as convenience, time flexibility, and accessibility are appreciated by consumers, these factors do not appear to be strong enough to directly influence purchase intention (Patro, 2019). This may be due to the fact that such benefits are already considered standard in e-commerce, and therefore do not serve as significant differentiators. Perceived risk also does not have a significant impact on purchase intention (Jayadi & Ariyanti, 2019). This suggests that consumers in Malang City may have become accustomed to online transactions and feel comfortable with the existing level of risk. Trust in the platform and the security guarantees provided by e-commerce platforms appear to have successfully mitigated consumers' concerns about risk. Purchase intention is proven to be the primary predictor of purchase decisions (Ajzen, 2020). This confirms that consumers' willingness to buy a product directly influences their purchase actions. This finding supports the theory of planned behavior (Ajzen, 1991), which posits that intention is the main determinant of actual behavior. In the context of e-commerce, marketing strategies that successfully shape purchase intention will have a significant impact on consumers' final decisions.

4. CONCLUSION

Based on the research findings, it was discovered that consumers' purchase intention on e-commerce platforms in Malang City is influenced by four main factors: trust, brand image, perceived benefits, and perceived risk. Among these four factors, only trust and brand image have a significant impact on purchase intention. Purchase intention serves as an important mediating variable in driving consumers' purchase decisions. This indicates that emotional aspects such as trust and positive brand perception play a greater role in shaping purchase decisions compared to practical considerations or concerns about risk.

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