

Influence of Perceived Value and Perceived Risk to Trust and the Implications on Buying Intention

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Abstract—The bread the of internet use up on smartphones has resulted in buying and selling activities on the internet, which can even be done only with a smartphone. However, the rise of food purchases online is certainly not apart from the perceived benefits and the customer worries about the risk that will be faced. Trust becomes an important factor in the intention of buying food. Trust is expected to be higher when the perceived value is a higher and low perceived risk. This study aims to uncover the influence of perceived value and perceived risk to the trust and how the implications for buying intention. Using path analysis it is revealed that trust is the relationship between perceived value and buying intention, perceived value cannot be in the way of buying intention.

Keywords: *perceived value, perceived risk, trust, buying intention*

I. INTRODUCTION

In the last decade of Internet use in Indonesia is remarkable, ranging from a young age to adulthood and even the elderly, the internet is used in job operations (many companies start to reduce the use of paper and transferred to the Internet) to penetrate the business world. Internet access that can be done using mobile phones increasingly easier for users to surf in cyberspace using the only mobile phone (currently more appropriate use term smartphone). Therefore, smartphone users can easily search for information about the promotion of products offered by the companies only by using their phones. Even bookings are also made using the smartphone. It is very likely to happen when supported by the ability of smartphone users to understand the use of the mobile phone for information retrieval on the Internet, or in short, it can be said the extent of literate users Technology affects their conduct in *online* spending (over the internet).

However, the decision to buy products through the Internet requires careful consideration, so considering sellers and buyers in addition to not meeting directly also the products offered are also only images, cannot be viewed directly held or even attempted. Purchase online where the buyer cannot see directly the goods ordered, trust is required by the consumer [8]. Consumers should get a or some information that makes it believe. In addition to the belief he should also be good at considering the risk, for *online*

purchases is considered more risky[8]. Then the consumer will make perception of the risks that will likely occur. Therefore, it requires consideration and trust of prospective buyers. Trust will increase if what is perceived by consumers to goods and services by reality, so consumers are interested to make a purchase.

As for the perception of risk that will be experienced, large or not risk will affect the consumer confidence[7], [2], [3]and[7], otherwise, trust may also affect the perception of risk [2]. Trust and risk perception will ultimately affect the interest of the purchase[7], [2] and[7]. According to [1] that interest is a factor affecting behavior. Interest shows the willpower or extent of a person's efforts on a behavior. Internet purchase is a precedent of a person's attitude or perception of the Internet purchase[5].

In Indonesia today sales and *online* purchases have become a phenomenon in the business world, communication between consumers and sellers became easy to do although both sides were in a place far apart, Its breath to ownership and use of smartphones strongly supports this online trading phenomenon. It is no exception in Palembang city. Palembang, which is the largest and most populated city in South Sumatera province, is sure to have the largest smartphone user community, and also the most Internet users by smartphone.

There are several types of trading through the Internet that can be used by the community in this city among others is the sale of food, clothing, goods, transportation as well as ticket ordering. *Online* Food sales are already an alternative used by people in this city. This *online* food booking allows the timer not to bother out to find food, making the bookers More efficient in time utilization. After ordering meals, the customer will be contacted by a prospective introduction regarding the suitability of the food and the place (food vendor) ordered and the confirmation of the food delivery location.

The community argues that the presence of this *online* service and inter-food services can be very useful, because it provides benefits for the form of time saving, cost, power up to the utilization of smart phones more optimum. Logically, it

can be said that the presence of the message service and inter-food Online provides *value* to the community of its users. As said by [9] *Value* refers to the cheap price that the consumer has to pay, and what the consumer has sacrificed equal to that earned. So logically it can be said that the higher the perception towards the benefits received then the higher the interest to buy. Therefore, consumer sacrifice can indicate the value that consumers receive [6].

Currently, online messaging and food providers in Palembang are Gojek and Grab. Gojek's service using Go Food features, is currently Grab using the Food feature. The second service methods and phases can be said to be the same, and the two are competing strictly in the city's online food messaging industry. But the concern is not competition between the two but in this study will predict the behavior of food buyers online regardless of who the service provider is.

Since these services mostly involve online service providers and their co-workers (motorcyclists regarding contracts with companies) then the service factor will be highly noticed by consumers. Information received by consumers related to the service constitutes a perception of the quality of the online service. Considering all the variables described in the online food purchase phenomenon experienced by consumers in Palembang, then this research will see how interest in purchasing food products online are influenced by some Factors such as consumer attitude, confidence factor and risk and perception of service quality.

The explanation above raises several questions that need to be sought by the answer, namely how to influence the perception of consumer value, Trust and risk perception to the buying interest of consumers. Partial, could trust can be a mediator on the influence of consumer value perception to the buying interest of consumers as well as whether consumer confidence can be a mediator on the influence of risk perception to the buying interest of consumers.

II. LITERATURE REVIEW

The explanation above raises several questions that need to be sought by the answer, namely how to influence the perception of consumer value, Trust and risk perception to the buying interest of consumers. Partial, could trust can be a mediator on the influence of consumer value perception to the buying interest of consumers as well as whether consumer confidence can be a mediator on the influence of risk perception to the buying interest of consumers. The consumption made by the consumer is initiated by the need arising and creates demand. Along with the development of thought, ideas, science, and technology need evolving into a desire. This desire is very dynamic, tastes have always undergone a change from time to time. Therefore, the benefits of the products expected by consumers are also changing and dynamic, consequently, the demand also becomes diverse. The role of *value* is crucial for consumers to determine their request. According to [9] and [6] *value* is a benefit received by

consumers as opposed to the payout (sacrifice), or *trade-off* between *give* and *get* [9] argues is a quality that can be:

- Value is the price that (first time being sacrificed), quality is number two
- Value is the price of cheap goods from a quality brand
- Value equals quality

Therefore, consumers will assess or argue how the value is received compared to its sacrifice [6]. Thus the consumer's perception of the value he will acquire will affect his interest in making a purchase. This relationship can be made in hypotheses namely:

H1: Perceived Value positively and significantly affects buying intention

Trust is needed in an uncertain condition in the relationship between human beings and on the most economic conditions that are to be achieved [7]. In the business world the Trust is enormous influence for a consumer to trust a seller or seller company, so this is a considerable concern in the relationship between sellers with consumers/B2C or *business to Consumer* [3], [7] and [4]. Therefore, it can logically be said that the perception of value can affect consumer confidence so that it can also be made hypothesized:

H2: The perceived value affects trust positively and significantly

Risk is interpreted as a willingness to rely on or submit to a trusted partner to address the changes that [3]. In that sense, it is logically confident that there is also a consumer to the seller. In the relationship between buyers and sellers of trust factors are closely related to the risks, both can influence each other. According to [2] between the belief and risk perception is negatively related, with the sense that when consumers assume a high risk in a purchase, the trust will be reduced, as otherwise. Both of these phenomena need proof, thus the hypothesis that can be made is:

H3: Perceived risk affects negatively and significantly towards trust

Intention in buying according to [1] intention to buy is influenced by three factors i.e. consumer attitudes, subjective norms and control perception of behavior. Regarding the perception of risk and trust is a trust that is owned by consumers that is a component of attitudes. Further trust and perception of risk affect the buying interest, as expressed by [2], [7] dan [7] that belief affects the buying intention of consumers, so that for this research can be hypothesized:

H4: Trust affects the intention to buy positively and significantly

In addition, the perception of resistance is able to influence the buying intention of consumers [2] the greater the risk that consumers perceive then the less interest to buy, therefore the hypothesis can be made as follows:

H5: Perceived risk affects buying intention negatively and significantly

Graphically a relationship built between researched variables can be created as the following image:

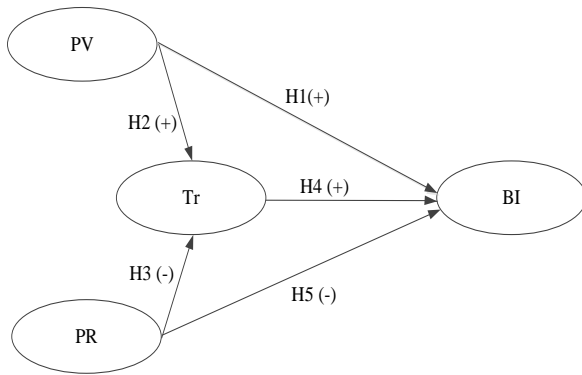


Fig 1. Conceptual framework

III. METHOD

This research covers the variables of consumer value perception, trust, risk perception affecting interest in food purchases *online* in Palembang. Because the location of research is conducted in the city of Palembang then the population is a community of Palembang who are interested in purchasing food products *online*, which in the city is provided by two online webs is Gojek through Service called Go Food and Grab through a service called Grab Food.

The population in this research is the community of Palembang who are interested in purchasing food products from the Web online. The chosen people who are interested in making food purchases *online* is due to the theory that is used also with consideration for the accuracy of population characters and samples.

As for the extensive sample is as much as 100 people, the magnitude of 100 is based on calculations made by (Roscoe, 1975) in [11] that for multivariate research the number of samples preferably several times greater than the number of variables in Research (more liked 10 times or greater). Therefore, because this research uses 4 variables, the number of samples obtained 25 times from the number of variables (4x25) is 100 people.

Sampling techniques need precise consideration or how samples are taken from within the population to obtain a representative sample, this is due to the population or sample character is very likely not the same in each Research. In other words, the situation in each of the different studies can lead to the question that the respondent had a large variability [10]. Therefore, this research uses the *nonprobability sampling* technique with its technically fetching method is *purposive sampling*. This method is used considering that it

is not easy to find people who have an interest in buying food products *online* but must be sought in such a way that in search need some consideration. The considerations include familiar people with internet use through *notebooks*, *laptops*, and *smartphones*, and can understand using online features in *notebooks*, *laptops*, and *smartphones*.

The Data used in this research is primary and secondary. Primary data is data derived from interviews and questionnaire that is filled by respondents, while secondary data is information that is a result of processed or explanation from other parties. Operational variables include: Perceived Value (PV) consist of price, postage, other expenses than price, adapted from [9]. Trust (Tr), Reliable, Maintaining promises and commitments, can maintain good judgment, the technology used is trusted, all adapted from [7] dan [3]. Perceived Risk (PR) The indicator consists of risk to the price, service, food quality, delivery time. All adapted from [3]. Buying Intention (BI) indicators are : be interested in buying food *online*, in the future will buy food *online*, buy food *online* in the near term adapted from [3].

Variable measurements use a differential semantic scale, the reason for this scale usage because it gives the respondent the opportunity to provide more precise value according to what it felt. Differential Semantic scale has seven points of value ranging from one to seven and is bipolar because it has two embodied widespread with adjectives in which both have the meaning the opposite [10] and analysis techniques using path analysis.

IV. RESULTS

Profile respondents showed that online food participants were predominantly 74%, the most age was in the range of 20 to 24 years by 54%, and as many as 51% of respondents were as students. The most selected online food purchase and delivery service company is 80% Go Food, as well as the most common method of payment, is cash at 62%.

Data obtained from questionnaires and processed using SPSS software, and the analysis of this path tests the path to the relationship between perceived value and buying intention, perceived risk and buying intention directly and indirectly, while the trust acts as a mediator. Not all indicators are used in this study, it is because the indicator is not giving a good validity, that is far from 60 percent. In the perceived value first indicator is dropped, in the variable perceived risk to the five dropped indicators as well as the five indicator trust variables are also dropped. For variable buying intention all indicators provide good validity values. The following table explains the validity and reliability of all variables used.

TABLE 1. Instrument Test

Variable	Indicators	Reliability	Description	Validity	Description
Perceived Value	PV2	0.804	Reliable	0.518	Marginal
	PV3			0.611	valid
	PV4			0.756	valid
	PV5			0.647	valid
Perceived Risk	PR1	0.869	Reliable	0.719	valid
	PR2			0.757	valid
	PR3			0.793	valid
	PR4			0.640	valid
	PR6			0.574	Marginal
Trust	Tr1	0.865	Reliable	0.703	valid
	Tr2			0.789	valid
	Tr3			0.675	valid
	Tr4			0.695	valid
Buying Intention	BI1	0.869	Reliable	0.671	valid
	BI2			0.762	valid
	BI3			0.761	valid

Instrument test shows that the indicator PV1, PR5, and TR5 in the drop then give the result as shown in table 1. Indicator PV2 and PR6 although it has not reached 60% but is considered to be close to 60% (marginal) so all data can be used to estimate the relationship between variables. Determination value (R²) by 0.380 for the influence of PV and PR to Tr, meaning there is still 62% can be influenced by other variables, as well as the influence of PV, Tr, PR to BI has a determination value of 0.318 that means 68.2% influenced by other variables (Table 2).

TABLE 2. Regression calculation results

Influence between variables	Coefficient	Significance	GOF
Direct effect:			
PV → Tr	0.604	Significant	R ² = 0.380 F = 29.692 e = 0.620
PR → Tr	0.040	Not Significant	
PV → BI	0.073	Not Significant	R ² = 0.318 F = 14.915 e = 0.682
Tr → BI	0.398	Significant	
PR → BI	0.258	Significant	
Indirect effect:			
PV → Tr → BI	0.240	-	-
PR → Tr → BI	0.016	-	-
Total Effect:			
PV → Tr → BI	1.002	-	-
PR → Tr → BI	0.438	-	-

Regression calculations for data with a 5% confidence rate result in the estimated coefficient as seen in table 2. The path analysis shows that the effect of PV on Tr is significant, as was the influence of Tr to BI. Meanwhile the influence of PR to Tr, PV to BI and PR to BI all insignificant. The indirect effect of PV to BI mediated by Tr is worth 0.240, and PR to BI through Tr is worth 0.016 so that the total influence PV to BI mediated by Tr by 1.002 and PR to BI mediated by Tr valued at 0.438. Based on the calculations in table 2 also prove that H2 and H4 are supported, while H1, H3, and H5 are rejected. This suggests that Tr acted as a mediator on the relationship between PV and BI, while on the relationship between PR and BI Tr is not a mediator.

V. DISCUSSION

The Internet today is very large in its role in the business world of one of the B2C marketing. The thing that consumers consider in online purchases especially food procurement is a

matter of trust. Trust plays a very important role in this online marketing because sellers and buyers do not meet directly, the product cannot be seen or tried directly. Consumers' perception of the benefits of purchasing and food delivery services made by Go Food and Grab Food is considered to be very decisive in their trust selling of both online services companies. Perceived risk is also expected to influence consumer trust. Trust will ultimately affect consumer buying intention.

Based on the results of data processing can be said that the belief acts as a mediator when the perception of value affects the intention to buy, so the trust of online food buyers will trust the web after realizing the benefits of service and products purchased online, then the belief affects the intention of buying. Then it can be known that the perceived value does not directly affect the intention to buy but the trust must be formed first through perceived value.

As the alleged perceived risk can affect the buying intent, and negatively affect the trust is thus not evident in the study. The effect of perceived risk on both trust and buying intention is positive. These results in addition to not being in line with previous theories and studies are also not logically supported. Therefore, the relationship perceived risk with trust and buying intention cannot be concluded.

Consumers believe it or not is very likely due to the perception they have in which the perception was created due to his experience. The perception of risk is not a factor that affects the trust, it is also based on the experience that making a food purchase that provided by Go Food and Grab Food the risk is small, which means it can be trusted. Hence the built conceptual framework is still limited. This condition allows developing the conceptual framework by adding experience factors.

VI. IMPLICATIONS

This research implies that online food purchasing is a young person with a range of 20 to 24 years of age with student status and dominated by the female gender. The trust factor plays an important role in influencing the intention to buy. A positive trust relationship with both perceived risk and buying intention implies need to include other variables to prove the negative relationship between the trust and the perceived risk and purchase intention.

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