

CHAPTER II

LITERATURE REVIEW

A. Theoretical Foundation

1. E-commerce

E-commerce stands for Electronic Commerce which means transactions that cover a variety of business activities from purchases to sales through internet-based network media. According to Kotler & Armstrong (2012), E-commerce is an online channel that can be reached by someone through a computer, which is used by businesses in conducting business activities and is used by consumers to obtain information using computer aids which in the process begins by providing information services to consumers in determining the selection.

Here are four types of e-commerce based on their characteristics according to Kotler (2012):

- a. Business to business (B2B)
 - 1) Business partners who already know each other and have established long-standing business relationships.
 - 2) Data exchanges that have already taken place repeatedly and have been mutually agreed upon. The commonly used model is peer to peer, where processing intelligence can be distributed by both business people.
- b. Business to consumer (B2C)
 - 1) Open to the public where information can be disseminated to the public as well.
 - 2) The service used is also public so it can be used by many people.
 - 3) Services are used on request, so producers must be able to respond well to consumer demand.
 - 4) The system approach is client-server.
- c. Consumer to Consumer (C2C)

Namely, the business model where the website is concerned not only helps promote merchandise, but also provides online money transaction facilities. In this case, there are 2 (two) main indicators for a marketplace website:

- 1) All online transactions must be facilitated by the website concerned.
- 2) It can be used by individual sellers. Where activities take place must use online transaction facilities such as third party accounts to ensure transaction security. The seller will only accept payment money after the item is received by the buyer. As long as the item has not been received by the buyer, then the seller cannot cash the proceeds of the sale and if the product fails to reach the buyer's hands then the money paid will be returned to the buyer.

d. Consumer to Business (C2B)

In contrast to business to consumer (B2C), in consumer to business, consumers (individuals) act as value creators in which companies that will be consumers are carried out electronically.

Benefits of using E-commerce for business people:

- 1) Ease of buying and selling activities.
- 2) Cut marketing costs.
- 3) Ease of communication with consumers and producers.
- 4) It can reach a wider target market.
- 5) Information dissemination is easier and faster.
- 6) The payment process has become easier and faster.

The benefits of using E-commerce for consumers:

- 1) Consumers can shop more easily 24 hours a day throughout the year.

- 2) Consumers can see a variety of product choices that are considered the best at the most appropriate prices.
- 3) Consumers can buy products and services at an easier cost after making comparisons with various e-commerce sites.

The positive impact of E-commerce:

- 1) The emergence of new income streams that might be more promising that does not exist in the traditional trading system.
- 2) E-commerce provides opportunities to increase market exposure.
- 3) Potential to expand reach globally.
- 4) Opportunity to reduce operating costs.
- 5) Ease in building and increasing customer loyalty.
- 6) Increase the income chain (value chain).
- 7) Help shorten production time.
- 8) It can improve supplier management.

The negative impact of E-commerce :

- 1) Potential fraud where a person loses financially due to cheating by another party.
- 2) The possibility of theft of data and confidential and valuable information that can result in large losses to the victim.
- 3) The potential loss of business opportunity or customer loss caused by system disruptions, such as human error and sudden power outages.
- 4) The possibility of access by others without authorization, for example, hackers who break into the banking system.
- 5) Negative campaigns on the internet conducted by competitors that can be bad for business.
- 6) Potential losses that can occur due to human error either intentionally or unintentionally, and also damage to the electronic system.

2. Consumer Behavior

Kotler and Armstrong (2012) states that consumer buyer behavior refers to the buying behavior of the final consumer-individuals and households who buy goods and services for personal consumption. Based on this understanding it can be said that consumer behavior is a decision made by someone to make purchases and use goods or services by taking actions that are direct to obtain the goods or services in the hope of meeting their needs and desires.

Consumer behavior is very closely related to consumer purchase interests in the business of obtaining and using goods and services. That way a manufacturer must know what consumers want. A consumer will always try to increase his satisfaction as long as his financial capabilities allow. Consumers must also be able to make decisions using which goods or services can best improve their satisfaction.

According to Kotler (2012), there are several factors that influence consumer behavior:

a. Cultural factors

1) Subculture

Each culture consists of smaller subcultures that provide more specific identification and socialization for its members. Subcultures include nationalities, religions, racial groups, and geographical areas.

When subcultures grow big and prosper enough, companies often design marketing programs specifically to serve them.

2) Social class

Every social class has preferences, where these preferences are interpreted as different tastes from each social class. Social class members

display different product and brand preferences in many areas, including clothing, home furnishings, recreational activities, and cars.

b. Social factors

1) Reference group

Groups that provide direct or indirect influence on a person's attitudes and behavior. Reference groups greatly influence a person's behavior in their purchases and are often used as guidelines by consumers in behavior.

2) Family

The family is the smallest unit of society whose behavior can influence and determine the decision to buy an item or service.

3) Role dan status

Roles and status are used to explain someone's position in each group. A role consists of activities carried out by someone with other people around him.

c. Personal factors

1) Age

In accordance with age, a person will experience changes in taste and consumption.

2) Work

If a person's income is getting more and more then the needs that he is consuming also, the income of someone who works as a laborer has a different consumption pattern than someone who works in a large company.

3) Economic situation

The economic situation is the average income spent, savings and wealth. Marketing must be able to design prices in order to be able to offer continuously to customers.

4) Lifestyle

Lifestyle is a lifestyle of someone who has interests and opinions. Marketers must be able to adapt their products to the lifestyle of their consumers.

5) Personality and self-concept

Personality is one of the variables that are useful for analyzing buyer behaviour because personality is a person's behavior. Self-concept is the personality of a person who is certainly different so there are different opinions.

d. Psychological factors

1) Motivation

For example when managers give encouragement and inspiration to improve the morale of their employees, managers will provide inspiration and motivation so that someone can act.

2) Perception

An individual can choose and interpret the input of a useful picture. Marketers must be able to do promotions in order to attract the attention of consumers.

3) Learning

Learning involves individual changes that grow from the experience.

Learning results from stimulation, cues, responses, and reinforcement.

4) Trust and attitude

A belief is someone's descriptive thinking about something. Whereas

the attitude of drawing a positive or negative judgment.

3. Selection Interest

Selection interest is a process of planning a purchase of a product that will be carried out by consumers by considering several things, including the many product units needed in a certain period, brand and consumer attitudes in consuming the product. The interest that arises in making a purchase creates a motivation that continues to be recorded in someone's mind and becomes an activity that in the end, a person must meet his needs. Selection interest is formed from consumer attitudes towards a product, it comes from consumer confidence in product quality. Selection interest is obtained from a learning process and thought the process that forms a perception. The selection interest that arises creates a motivation that is constantly recorded in his mind, which in the end when a consumer has to meet his needs will actualize what is in the mind of the consumer.

4. Millennial Generation

Millennials are the demographic group after Generation X (Gen-X). There is no definite time limit for the beginning and end of this group. Experts and researchers usually use the early 1980s as the beginning of the birth of this group and the mid-1990s to the early 2000s as the end of birth. Global demographics always play an important role in economic growth. Now, this is a time when Millennials as a majority have entered the workforce. Their high income and grow

quickly determine the desires of the characteristics of present and future generations, thus increasingly affecting business and economic markets. This generation is also projected to have a percentage of 39% or 110 million of the total projected population of Indonesia at 285 million by 2025. This generation is also believed to be very influential in determining trends in the use of products and services in the future, especially since entering the digital age. With digital technology, millennials are very active in using social media and online media to interact with brands of their choice. Millennial generation since the entry of the digital era is known to have special characteristics as a generation that will face the current digital era. This millennial generation is demanded to be able to face competition both nationally and internationally. Therefore, the characteristics of the current millennial generation are that they are demanded to be creative, confident, professional and productive.

5. Trust

According to Nurrahmanto (in Khotimah and Febriansyah 2018) defines trust as a consumer's belief that other people have integrity and can be trusted, and people who are trusted will fulfill all their obligations in conducting transactions as expected. Trust can be given to a person, object (product), organization (business), institution (government) or role (a professional in several types). Moorman (1993) defines trust as an individual's willingness to depend on other parties involved in exchange because individuals have confidence in other parties.

Trust plays a key role in creating satisfying and expected results in online transactions (Pavlou, 2003).

In other words, trust is an important thing in shopping online with various considerations that the online shopping site provider must be able to safeguard personal and financial data information when doing online shopping. When consumers already have a high level of confidence, their intention to make online purchasing decisions will also be high. Mayer et al. (2012) states, there are three factors that shape a person's trust in a company's brand: sincerity/benevolence, ability and integrity. These three factors can be explained as follows:

a. Benevolence

Kindness is the willingness of the seller to provide mutual satisfaction between himself and the consumer. The profit gained by the seller can be maximized, but customer satisfaction is also high. The seller is not merely pursuing maximum profit, but also has great attention in realizing customer satisfaction.

b. Ability

Ability refers to the competence and characteristics of the seller/organization in influencing and polluting a specific area. In this case, how the seller is able to provide, serve, to secure transactions from interference from other parties. This means that consumers get satisfaction and security guarantees from sellers in conducting transactions.

c. Integrity

Integrity related to how the behavior or habits of sellers in running their business. Information provided to consumers whether true in accordance with facts or not. The quality of the products sold is trustworthy or not.

6. Price

Price is a measure of the size of the value of one's satisfaction with the product purchased (Gitosudarmo, 2014). According to Kotler and Armstrong (2012) prices can be narrowly defined as the amount of money billed for a product or service. Or it can be defined as a value or money that can be exchanged for products or services to benefit from the product or service. Someone will dare to pay for a product at a high price if he assesses the expected satisfaction with the product to be bought is high. Conversely, if a person evaluates that his satisfaction with a product is low, he will not be willing to pay or buy the product at a high price. Economic value is created by activities that occur in the market mechanism between buyers and sellers.

The purpose of setting prices are:

- a. Profit maximization pricing, i.e. to achieve profit maximization.
- b. Market share pricing. With a low price, the market will be controlled, the

conditions :

- 1) The market quite price sensitive.
- 2) Production and distribution costs go down if production rises.
- 3) Prices are down, competitors are few.
- 4) Market skimming pricing.

If there is a group of buyers who are willing to pay a high price for the product offered, the company will set a high price even though then the price will

go down (blush the market), the conditions:

- a. Enough buyer loss.
- b. Changes in distribution costs are smaller than changes in income.
- c. Price rises are not so dangerous for competitors.
- d. Rising prices give the impression of a superior product.
- e. Current revenue pricing (determination of profit for maximum income).

Determination of high prices to obtain enough revenue so that cash can quickly return.

- f. Target profit pricing. Prices based on sales targets within a certain period.

g. Pricing for promotions. Determination of prices for a product with a view to encouraging the sale of other products. There are two kinds namely:

- 1) Leader Pricing, pricing for a product so that the market encourages sales of other products.
- 2) Prestige pricing, a high price for a product in order to improve the image of quality.

The pricing method according to Tjiptono (2010) broadly can be grouped into four main categories, namely the demand-based, cost-based, profit-based, and competition-based pricing methods.

a. The demand-based pricing method is a method that emphasizes the factors that influence customer tastes and preferences rather than factors such as costs, profits, and competition. Customer demand itself is based on various considerations, among which:

- 1) The ability of customers to buy (purchasing power).
- 2) A lifestyle product in a customer, that is, whether it is a status symbol or only a product that is used daily.
- 3) Benefits provided by the product to customers.
- 4) Price of substitute products.
- 5) The potential market for these products.
- 6) The nature of non-price competition.
- 7) Consumer behavior in general.
- 8) Segments in the market.

b. Cost-based pricing method, in this method the main price determining factor is the supply or cost aspect rather than the demand aspect. Prices are determined based on production and marketing costs added with a certain amount so that it can cover direct costs, overhead costs, and profits.

c. Profit-based pricing method. This method seeks to balance revenue and costs in the pricing. This effort can be done on the basis of a specific profit volume target or expressed as a percentage of sales or investment. This profit-based

pricing method consists of target profit, pricing, target return on sales pricing, and target return on investment pricing.

- d. Competitive based pricing methods are not only based on cost, demand or profit considerations, prices can also be determined on the basis of competition, which is what competitors do. Pricing method.

7. Promotion

A significant increase in internet users makes the internet one of the promotional media for companies. Promotion is an activity carried out to convey a certain message about a product, good goods or services, trademarks or companies, etc. to consumers so that it can help marketers increase sales. Kotler, Philip (1997) defines promotion as an activity carried out by a company to communicate the benefits of its products and to convince consumers to buy. Cummins, Julian (1991) defines promotion as a series of techniques that are used to achieve sales or marketing goals by using cost-effectively, by adding value to products or services to intermediaries or direct users. It can be concluded that promotional activities not only function as a communication tool between the company and consumers but a tool to influence the purchasing activities in accordance with their wants and needs. These things can be achieved by using promotional tools. According to Tjiptono (1997) the purpose of a promotion can be described as follows:

- a. Informing can be:
- 1) Inform the market about the existence of a new product.
 - 2) Explain how a product works.
 - 3) Introducing a new way of using a product.
 - 4) Delivering price changes to the market.
 - 5) Inform the services provided by the market.
 - 6) Straighten the wrong impression.

- 7) Reducing buyers' fears or worries.
- 8) Build a company image.
- b. Persuading target customers to:
 - 1) Form brand choices.
 - 2) Switch the selection to a specific brand.
 - 3) Changing customer perception of product attributes.
 - 4) Encourage buyers to shop right away.
 - 5) Encourage buyers to receive salesperson visits (Salesmen).
- c. Reminding can consist of:
 - 1) Remind buyers that the product in question is needed in the nearest future.
 - 2) Remind buyers of places that sell company products.
 - 3) Make shoppers remember even if there are no ad campaigns.
 - 4) Keeping the buyer's first memory from falling into the company's products.

The more attractive the promos held by the seller, the more consumers will be tempted, thus bringing huge profits for the seller because more and more are buying.

8. Time

Saving time is one of the most influential factors in online shopping. Time is the main resource that consumers spend when they purchase online or in traditional stores. Browsing the online catalog during online shopping saves time and reduces stress compared to traditional shopping. According to Rohm and Swaminathan (2004), one of the possible explanations for why buying online saves time is eliminating the travel required to go to the store. According to customer perception, the advantage of online commerce is related to purchase simplicity and the reduction of time spent on shopping. One of the most significant problems people generally deals with concerns the perceived time. According to Settle and Alreck (in Vasic, et al. 2019) time present the degree one realizes there is no time left in relation to daily obligations and chores. Since online commerce can be completed anywhere and anytime, this greatly simplifies

the lives of its users; by purchasing online, consumers avoid traffic jams, they don't have to search for a parking lot, and they don't have to queue nor be a part of the crowd in the store (Childers, et al. 2001). Consumers can also check prices and order the desired item 24 hours a day, from anywhere and at any time.

Shopping online besides having advantages, also has disadvantages.

a. Advantages of Online Shopping

- 1) Buyers do not need to come directly to the store, mall, and so forth.

Simply by accessing the website via the internet to choose the desired items.

- 2) When and wherever can choose goods. From home, office, travel, etc. as long as there is an internet connection within 24 hours.

- 3) Online store owners can reduce costs for physical stores because they simply market their products via the Internet.

- 4) Product marketing can reach the whole world.

b. Disadvantages of Online Shopping

- 1) The quality of goods sometimes is not as you wish. What is displayed on the website can be different from what is received.

- 2) Vulnerable to fraud were in many cases when the buyer has sent an agreed amount of money, the goods purchased are not sent.

- 3) Risk of damaged goods after receipt due to third party shipments. Although it can be replaced it requires more time.

- 4) Vulnerable to account fraud because payments are made via the internet.

- 5) Spent on spamming because, after the buyer registers, the seller tends to always send an online catalog via the buyer's email and this is quite disturbing privacy.

9. Risk

Risk is a state of uncertainty and the level of uncertainty is measured quantitatively. Meanwhile, according to Kotler and Armstrong (2012) that risks are financial losses, both directly and indirectly. All activities carried out either

individuals or companies also carry risks. Business activities are very related to risk. Risks in business activities are also associated with the magnitude of returns to be taken by risk takers. The greater the risk faced generally can be calculated that the return received will also be greater.

a. Perceived Risk

Ko et al. (2004) defines perceived risks as the potential loss of consumers made in online shopping, it is a combination of a sense of uncertainty with the value obtained by consumers in shopping. The idea of perceived risks is measured by the perceptions of each consumer when a dangerous event occurs such as getting an excess bill on their credit card (Featherman & Paul, 2002).

b. Financial Risk

Maignan and Lucas (1997) say that financial risk is the perception of the value of money that can be lost in an online shop or a risk that is needed to produce an item in order to function properly. On the other hand, there are some consumers who have worries because the internet is an electronic device that has a low level of security and results in consumers being more alert and more closed about personal information.

c. Product Risk

Jarvenpaa and Noam (1999) say that the internet is non-store shopping which makes it difficult to recognize the physical form of a product and consumers must be aware of the limited information and images displayed on a computer screen. Kim et al. (2008) state product risk is a condition when a product purchased by consumers cannot function or does not meet expectations in their use or physical form.

d. Delivery Risk

Dan et al. (2007) said that in an online shop has great potential regarding the loss of their products during the delivery process to consumers and there is also the risk of product damage in the shipping process and wrong delivery after the consumer shopping process. On the other hand, there is a fear faced by online shop consumers because the products they ordered have the potential for damage due to not being maintained with good quality packaging and correct by the sending company and consumers also do not get information about the timely delivery provided by the sending company.

10. Ease of use

Ease of use of e-commerce means ease in understanding transactions through e-commerce media (Davis, 1989). Means ease of use refers to consumers' perceptions that shopping online will involve minimum effort or effort. The usefulness felt by consumers is how effective online purchases are in helping consumers complete their needs and perceived ease of use is how easily the internet is used as a shopping media (Monsuwe, Dellaert, and Ruyter, 2004). Ease of use of e-commerce is influenced by the use of technology, if someone feels confident that the information system is easy to use then he will use it. Conversely, if someone feels sure that the information system is not easy to use then he will not use it, so if the technology used is easy to understand and use, then the interest of consumers to make online purchases at the provider of an e-commerce site will be even higher. If consumers find a product easy to use, they

will feel the use of the product to meet their needs and desires. There are several

indicators of the ease of use of information technology including:

- a. Information technology is very easy to learn.
- b. Information technology does easily what the user wants.
- c. User skills will be increased by using information technology.
- d. Information technology is very easy to operate.

11. Quality of information

When consumers make decisions about purchasing a product or service, they will collect information. Information quality has attributes such as information obtained from a system, information accuracy, information relevance, timeliness, and completeness of the information. The quality of the information provided on e-commerce sites must be strictly in accordance with facts, needs, up-to-date and easily understood by consumers. According to Al-Manasra et al. (in Setianto and Soesanto 2017) information quality is the ability of the system to provide the information needed by its users. On e-commerce sites, it is better to present information that includes links to products and services available in online shopping. According to Li et al. (2002), quality information is information that is accurate, clear, detailed, relevant, easily obtained, timely, up to date and in accordance with user needs. The information will be useful and relevant for consumers in predicting quality and the usefulness of the product or service. In this case, the e-commerce site provider must be able to provide or expose quality information on its e-commerce site, so the higher the interest of online shoppers in buying the product.

B. Previous Research

Previous research references in this study are as follows:

1. Research conducted by Wijaya and Jasfar (2014) to analyze the influence of website design, price, trust and security on the purchase of fashion products through online shopping. The independent variable used is website design, price, trust, and security, while the dependent variable is purchase intention. The sampling technique in this study is simple random sampling. The data analysis method used is multiple regression analysis. The results showed that there was a significant influence on the variable design, trust, and security of online purchases through online shopping, while the variable price had no significant effect on online purchases through online shopping.
2. Research conducted by Asri and Susanti (2018), with the aim of analyzing the influence of trust, perceived usefulness, perceived ease of use and the risk of the interest purchased online at Lazada.co.id. The independent variable used is trust, perceived benefits, perceived ease, risk while the dependent variable is purchase intention. The sampling technique in this study was purposive sampling. The data analysis method used is multiple linear regression. The results showed trust, perceived benefits, perceived convenience, significantly influenced buying interest while perceived ease and risk did not significantly influence purchase intention.
3. Research conducted by Widhiani and Idris (2018), the purpose of this study is to analyze whether there is an influence of promotion, ease of use, consumer trust and quality of information on buying an interest in Bukalapak online sale site. The independent variable used is a promotion, ease of use, consumer trust and quality of information, while the independent variable is purchase intention. The

sampling technique in this study was purposive sampling. The data analysis method used is multiple regression analysis. The results showed that promotion, ease of use, consumer confidence and quality of information have a positive influence on purchase intention in Bukalapak online sale site. Information quality has been the highest influence in this research and consumer trust, ease of use and promotion sequentially have the highest influence in this study after the quality of information.

4. Research conducted by Yonaldi, et al. (2019), to find out and analyze the influence of trust, perceived use, and perceived risk, partially and simultaneously on online shop purchase intentions using Instagram. The independent variables used are trust, perceived of use, and perceived risk, while the dependent variable is purchase intention. The sampling technique in this study was incidental sampling. The data analysis method used is multiple linear regression. The results of the research partially showed that perceived use and perceived risk had a positive and significant effect on online shop purchase intention using Instagram, while the trust variable had no positive and significant effect on online shop purchase intention using Instagram. The results of the study simultaneously showed that the variable trust, perceived of use, and perceived risk influence the purchase intention of online shops using Instagram.
5. Research conducted by Wijaya and Teguh (2012), to analyze the influence of independent variables (product, price, promotion, ease of purchase, trust) on the dependent variable (purchase intention) on Specialist Guess online purchase intention. The sampling technique in this study was purposive sampling. The data

analysis method used is the Multiple Linear Regression Analysis. The results of the research partially indicate that the variable price, promotion, and trust affect the online purchase intention of Specialist Guess, while the product variables and ease of purchase do not influence the online purchase intention of Specialist Guess consumers. Simultaneously, the variable product, price, promotion, and ease of purchase significantly influence the variable online purchase intention of Specialist Guess.

6. Research conducted by Faradila and Soesanto (2016), with the aim of analyzing the effect of perceived ease of use and perceived benefits on buying interest using trust as a mediator, case study on the berrybenka.com online store. The independent variables used are perceived ease of use and perceived usefulness, the purchase intention variable as the dependent variable and the trust variable as the intervening variable. The results showed that perceived ease of use has a positive and significant effect on trust, perceived usefulness has a positive and significant effect on trust and perceived ease of use, perceived usefulness, and trust have a positive and significant effect on purchase intention.
7. Research conducted by Solihat, et, al. (2019) to find out and analyze consumer trust and site quality in purchase intention of Bukalapak e-commerce products. The independent variable used is trust and site quality and purchase intention as the dependent variable. The method used is multiple linear analysis. The results showed that consumer confidence had a positive and significant effect on purchase intention and the quality of the site had a significant positive effect on purchase intention.

8. Research conducted by Khotimah and Febriansyah (2018), to determine the effect of ease of use, consumer confidence and advertising creativity on consumer purchase intention on the Bukalapak.com online buying and selling site. The independent variables in this study are ease of use, consumer confidence, and advertising creativity. The dependent variable is purchase intention. The sampling technique in this study was purposive sampling. The data analysis method used is multiple linear regression analysis. The results showed that the ease of use has no positive and not significant effect on purchase intention, while consumer confidence and advertising creativity have a positive and significant effect on purchase intention variables.
9. Research conducted by Ling, et. al (2010), to evaluate the impact of shopping orientation, online trust and previous online purchasing experiences on customers' online purchase intentions. The independent variables used are impulse purchase intention, quality orientation, brand orientation, online trust and prior online purchase experience. While the dependent variable used is customer purchase intention. The sampling technique in this study is convenience sampling. The data analysis method used is multiple regression analysis. The findings revealed that impulse purchase intention, quality orientation, brand orientation, online trust and prior online purchase experience were positively related to the customer's online purchase intention.
10. Research conducted by Setianto and Soesanto (2017), This study aims to analyze the effects of quality information and quality of service on the website to customer satisfaction in the increasing repurchase intention on Elevenia.co.id site.

Variables used in this research are the quality of information and service quality as an independent variable, customer satisfaction as mediating variables and repurchase intention as the dependent variable. The sampling technique in this study was purposive sampling. The analytical method used is Structural Equation Modeling (SEM) were analyzed using analysis tools with AMOS 20.0 Maximum Likelihood technique. The results of SEM analysis carried out, indicating that the quality of information has a positive and significant impact on customer satisfaction and repurchase intention, meanwhile quality of service has a positive and significant impact on consumer satisfaction but has no direct influence on repurchase intention and consumer satisfaction has a positive influence and significantly to repurchase intention.

- 11.** Research conducted by Anwar and Afifah (2016), the purpose of this study was to determine and analyze the influence of consumer trust and security on purchase intention on the Lazada site (Survey of visitors to the Lazada site in East Jakarta). The independent variables in this study are trust and security. The dependent variable is purchase intention. The sampling technique in this study was purposive sampling. The data analysis method used is multiple linear regression analysis. The results showed that trust and security partially and simultaneously had a significant effect on purchase intention.
- 12.** Research conducted by Chiu, et al. (2018), the purpose of this paper is to understand customers' repurchase intentions in online shopping. PLS (partial least squares, PLS-Graph version 3.0) is used to analyze the measurement and structural models. The independent variable used is trust, perceived ease of use,

perceived usefulness and enjoyment. The dependent variable used is customers' repurchase intention. The study shows that trust, perceived ease of use, perceived usefulness and enjoyment are significant positive predictors of customers' repurchase intentions.

- 13.** Research conducted by Zhao, et. al (2019), the purpose of this paper is to explore the impact of the type of product and time pressure on consumer online impulse buying intention, this is a relatively new issue of marketing academia in China. Independent variables are the type of product and time pressure. The dependent variable is purchase intention. The data analysis method used is the Multiple Linear Regression Analysis. The results of this study show that the type of product and time are significant on purchase intention.
- 14.** Research conducted by Ariffin, et. al (2018), this paper aims to examine the relationship between the six factors of consumers 'perceived risk and consumers' online purchase intentions. In particular, this study will examine the relationship between financial risk, product risk, security risk, time risk, social risk, and psychological risk and online purchase intention. Independent variables are financial risk, product risk, security risk, time risk, social risk, and psychological risk. The dependent variable is the purchase intention. The data were analyzed using the Statistical Package for Social Science 24 (IBM SPSS Statistics 24). The result of this study indicated that only five factors had a significant negative impact on online consumer purchase intentions, which are the financial risk, product risk, security risk, time risk, and psychological risk. Meanwhile, the social risk factor is insignificant.

15. Research conducted by Kaur, et al (2017), the purpose of the current research is to understand the influence of vendor cues like brand reputation. Brand familiarity and offline presence on trust and attitude of online shoppers and consequently on online purchase intention. Data was collected through a web based survey. The findings of the study reported that vendor offline cues have a strong and positive impact on the online purchase intentions of the shoppers. Further, this study also contributed by proving that the trust has a strong relationship with purchase intention as compare to attitude.

Table 2. 1
Previous Research

No	Name	Title	Variable	Method	Different Research
1	Wijaya and Jafar (2014)	“Pengaruh Rancangan Situs, Harga, Kepercayaan dan Keamanan Terhadap Pembelian Produk Fashion Melalui Online Shopping”	Independent variables: website design, price, trust, and security. The dependent variable: minat beli	Multiple regression analysis	a. Variables used 5 b. Research object: Online Shopping c. Study case: Lecturers, employees, students at FKG Trisakti, West Jakarta
2	Asri and Susanti (2018)	“Faktor-faktor yang Mempengaruhi Minat Beli pada Situs E-Commerce Lazada.co.id”	Independent Variables: kepercayaan, persepsi manfaat, persepsi kemudahan, resiko. Dependent variable: minat beli	Multiple linear regression	a. Variables used 5 b. Research object: Lazada.co.id E-Commerce c. Study case: Students majoring in Management S1 STIE KBP, Padang
3	Widhiani and Idris (2018)	“Pengaruh Promosi, Kemudahan Penggunaan, Kepercayaan Konsumen dan Kualitas Informasi terhadap Minat Beli di Situs Bukalapak”	Independent variables: promosi, kemudahan penggunaan, kepercayaan konsumen dan kualitas informasi. Independent variable: minat beli	Multiple linear regression analysis	a. Variables used 5 b. Research object: Bukalapak Site c. Study case: Diponegoro University students
4	Yonaldi, et al. (2019)	“Analisis Pengaruh Trust, Perceived Of Use, dan Perceived Risk terhadap Minat Beli Online Shop Menggunakan Instagram di Kota Padang”	Independent variables: trust, perceived of use, and perceived risk. Variable dependent: minat beli	Multiple linear regression	a. Variables used 4 b. Research object: Online shop c. Study case: in the city of Padang

No	Name	Title	Variable	Method	Different Research
5	Wijaya and Teguh (2012)	“Faktor-faktor yang Mempengaruhi Minat Beli di Online Shop Specialis Guess”	Independent variables: produk, harga, promosi, kemudahan pembelian. Dependent variables: minat beli	Multiple linear regression analysis	a. Variables used 5 b. Research object: Online shop Specialist Guess c. Study case: all members of Facebook social media networks owned by researchers
6	Faradila and Soesanto (2016)	“Analisis Pengaruh Persepsi Kemudahan Penggunaan dan Persepsi Manfaat terhadap Minat Beli dengan Kepercayaan Sebagai Variabel Intervening”	Independent variable: persepsi kemudahan penggunaan dan persepsi kegunaan. Dependent variable: minat beli. Variable intervening: kepercayaan	Multiple linear regression	a. Variables used 4 b. Research object: berrybenka.com online store c. Study case: DIpenogoro University students
7	Solihat, et al. (2019)	“Analisis Kepercayaan dan Kualitas Situs Minat Beli Produk E-Commerce BukaLapak”	Independent variable: kepercayaan dan kualitas situs. Dependent variable: minat beli	Multiple linear regression	a. Variables used 3 b. Research object: BukaLapak site c. Study case: internet users who have ever shopped online at BukaLapak site
8	Khotimah and Febriansyah (2018)	“Pengaruh Kemudahan Penggunaan, Kepercayaan Konsumen, dan Kreativitas Iklan terhadap Minat Beli Konsumen Online Shop”	Independent variables: kemudahan penggunaan, kepercayaan konsumen dan kreativitas iklan. Variable dependent: minat beli	Multiple linear regression analysis	a. Variables used 4 b. Research object: Bukalapak c. Study case: Jakarta
9	Ling, et al (2010)	“The Effects of Shopping Orientations, Online Trust and Prior Online Purchase Experience	Independent variables: impulse purchase intention, quality orientation, brand	Multiple regression analysis	a. Variables used 6 b. Research object: online customer

No	Name	Title	Variable	Method	Different Research
		toward Customers Online Purchase Intention”	orientation, online trust and prior online purchase experience. Dependent variable: customer purchase intention.		c. Study case: undergraduate information technology students from a private university in Malaysia
10	Setianto and Soesanto (2017)	“Analisis Pengaruh Kualitas informasi dan Kualitas Informasi Pelayanan Website dalam Meningkatkan Minat Beli Ulang Mahasiswa Univesitas Diponegoro pada Situs Elevenia.co.id dengan Menggunakan Kepuasan Konsumen sebagai Variabel Mediasi”	Independent variable:kualitas informasi dan kualitas informasi pelayanan website. Dependent variable: minat beli ulang. Mediating variable: kepuasan konsumen	Structural Equation Modeling (SEM)	a. Variables used 4 b. Research object: Elevenia.co.id site c. Study case: Diponegoro University students
11	Anwar and Afifah (2016)	“Pengaruh Kepercayaan dan Keamanan Konsumen terhadap Minat Beli di situs Online”	Independent variable: kepercayaan dan keamanan. Dependent variable: purchase intention	Multiple linear regression analysis	a. Variables used 3 b. Research object: Lazada site c. Study case: East Jakarta
12	Chiu, et al. (2018)	“Determinants of customer repurchase intention in online shopping”	Independent variables: trust, perceived ease of use, perceived usefulness and enjoyment. The dependent variable is customers repurchase intention	PLS (partial least squares, PLS-Graph version 3.0)	a. Variables used 4 b. Research object: online shopping c. Study case: China
13	Zhao, et al (2019)	“Effect of product type and time pressure on consumers’ online impulse buying intention”	The independent variable is the type of product and time. The dependent variable is	Multiple linear regression analysis	a. Variables used 3 b. Research object: Consumer online

No	Name	Tittle	Variable	Method	Different Research
			purchase intention		c. Study case: China
14	Ariffin, et al (2018)	“Influence of consumers’ perceived risk on consumers’ online purchase intention”	The independent variables are financial risk, product risk, security risk, time risk, social risk and psychological risk. The dependent variable is purchase intention	Statistical Package for Social Science 24 (IBM SPSS Statistics 24)	a. Variables used 7 b. Research object: Consumer online c. Study case: Malaysia
15	Kaur, et al (2017)	“Do Vendor Cues Influence Purchase Intention of Online Shoppers? An Empirical Study Using S-O-R Framework”	The independent variables are vendor offline cues and trust. The dependent variable is purchase intention	S-O-R Framework	a. Variable used 3 b. Research Object: Online Shoppers c. Study case: India

C. Hypothesis

1. Trust

Trust as a consumer's belief that other people have integrity and can be trusted, and people who are trusted will fulfil all their obligations in conducting transactions as expected. Honesty of online shop owners on e-commerce in maintaining and meeting the needs that have been made will be related to selection of e-commerce sites by millennial generation. Based on the explanation of the hypothesis above, the hypothesis can be explained as follows:

H1 : The trust variable is assumed to have a positive and significant effect on the selection of e-commerce sites by the millennial generation.

2. Price

According to Kotler and Armstrong (in Wijaya and Jasfar 2014) price is a value or money that can be exchanged for products or services to get a profit from the product or service. Assuming one's perception of prices on e-commerce sites is different, the price of good is lower so that it makes consumers to select the e-commerce sites, although there are still some higher product prices. Consumers will buy a product if the price is deemed appropriate by them. Based on the explanation of the hypothesis above, the hypothesis can be explained as follows:

H2 : The price variable is assumed to have a positive and significant effect on the selection of e-commerce sites by the millennial generation.

3. Promotion

A form of communication between buyers and sellers that aims to convey information about a product or attract consumers to use the product. With the promotion of the product received more attention from

consumers or even consumers know anything about the product. Based on the explanation of the hypothesis above, the hypothesis can be explained as follows:

H3 : The promotion variable is assumed have a positive and significant effect on the selection of e-commerce sites by the millennial generation.

4. Time

Saving time is one of the most influential factors in shopping online.

Whenever and wherever consumers can compare prices, order goods and make transactions through e-commerce media, so consumers can save time without having to go directly to the goods store. Based on the explanation of the hypothesis above, the hypothesis can be explained as follows:

H4 : The time variable is assumed have a positive and significant effect on the selection of e-commerce sites by the millennial generation.

5. Risk

According to Pavlou (in Asri and Febsri 2018), the risk is defined as the subjective estimate of an individual to suffer losses in receiving the desired results. If the level of transaction risk on e-commerce sites is low then the selection of e-commerce sites will be high and vice versa. Based on the explanation of the hypothesis above, the hypothesis can be explained as follows:

H5 : The risk variable is assumed have a positive and significant effect on the selection of e-commerce sites by the millennial generation.

6. Ease of use

According to Davis (in Asri and Febsri 2018) ease of use is a level or condition where someone believes that using a particular system does not require effort. If someone experiences difficulties when conducting online transactions on e-commerce site, it will decrease the selection of e-

commerce sites by millennial generation and vice versa. Based on the explanation of the hypothesis above, the hypothesis can be explained as follows:

H6 : The ease of use variable is assumed have a positive and significant effect on the selection of e-commerce sites by the millennial generation.

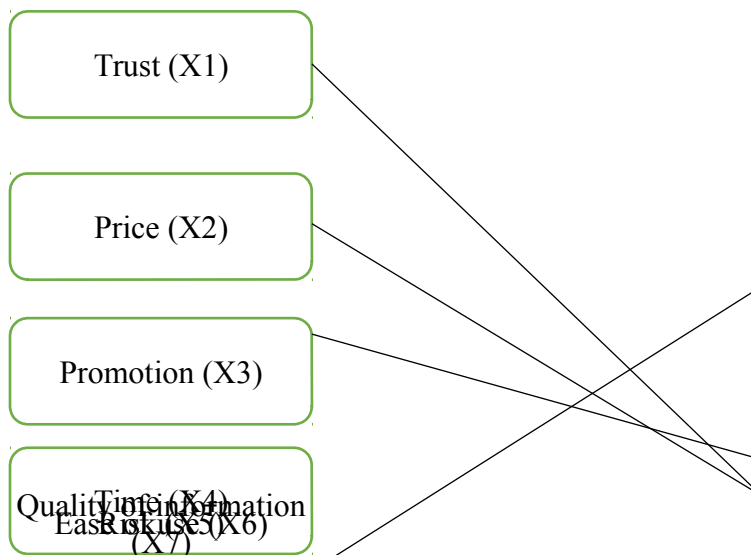
7. Quality of information

Information in e-commerce should present information that covers its relation to existing products and services in e-commerce. Information that is up-to-date and has good quality will satisfy consumers in predicting the quality and usefulness of products or services. This shows that the better the quality provided by e-commerce sites, the higher the selection of e-commerce sites by millennial generation. Based on the explanation of the hypothesis above, the hypothesis can be explained as follows:

H7 : The quality of the information variable is assumed have positive and significant effect on the selection of e-commerce sites by the millennial generation.

D. Research Framework

In the framework of the mindset, it is seen that purchase intention is the dependent variable, while trust, price, promotion, time, risk, ease of use and quality of information are independent variables.



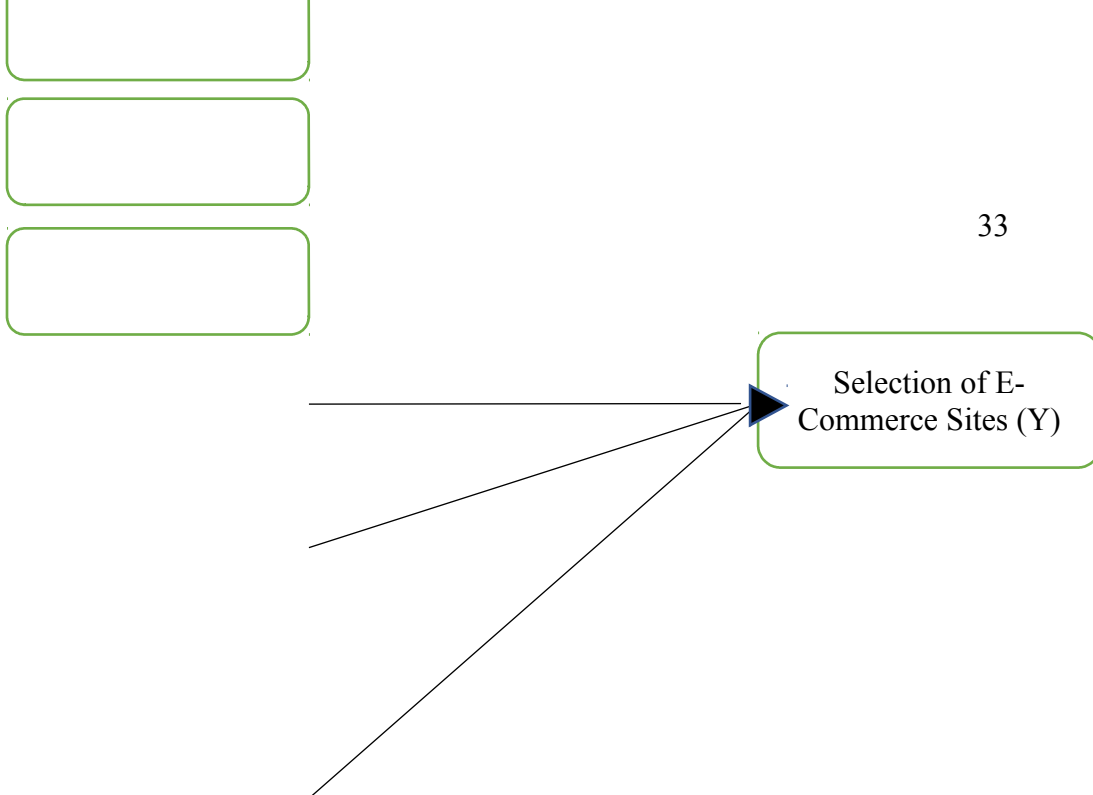


Figure 2. 1
Theoretical Framework