MODEL OF CONSUMER TRUST FOR E-COMMERCE IN INDONESIA

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ABSTRACT

Internet usage in Indonesia has been on the rise. In Indonesia, the year to year number of active internet users are expected to increase exponentially. In a 2014 survey, Indonesia placed six on the largest internet user population of the world. A joint research by Indonesian E-Commerce Association (iDEA), Google Indonesia, and TNS (Taylor Nelson Sofres) revealed that in 2013, the Indonesian e-commerce market’s worth reached as much as 8 billion US dollars or equivalent to 94.5 trillion Indonesian rupiahs. The number is forecasted to triple the amount into 295 trillion rupiahs by 2016. Not only does internet function as means to seek information, but it’s now been a viable platform for business activities. This industry, revolving around online transactions, is called e-commerce. In e-commerce, more so than conventional business, trust is paramount. The present study sought to develop a model for consumer trust in e-commerce business in Indonesia. A scale used as measurement for this study was derived from a previous scale by McKnight and Chervany that consisted of six parts: disposition to trust, trusting belief, trusting intention, personal innovativeness, general web experiences, and perceived quality. The study was attended by 195 subjects. Sampling was done through convenience sampling. Method employed for data analysis was path analysis. All this resulted in a model of e-commerce consumer trust.

Keywords: e-commerce, trust, model

INTRODUCTION

The internet plays a most crucial role in the world of modern communication. Indonesia, like everywhere else, has been experiencing a surge of internet users in the last few years. A data collected by E-Marketer, a market research foundation under the auspices of Ministry of Communication and Informatics, named Indonesia as the sixth largest internet user-populated country in the world with 83.7 million users to its name. This number is predicted to drastically grow in the years to come.

As internet usage becomes widespread, so too do businesses utilizing it become commonplace, as shown by the proliferation of e-commerce. A joint research by Indonesian E-Commerce Association (iDEA), Google Indonesia, and TNS (Taylor Nelson Sofres) found that the Indonesian e-commerce market is worth as much as 8 billion US dollars or approximately 94.5 trillion Indonesian rupiahs. It is expected to have swelled three times the amount by 2016.