THE EFFECT OF E-SERVICE QUALITY AND PERCEIVED RISK ON REPURCHASING INTEREST USING E-WALLET LINK

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ABSTRACT

The development of technology and information today, many of the business sectors apply technology and media as a tool in marketing activities. The study aims at determine the influence of e-service and perceived risk against repurchase interests using just e-wallet links. The method used in this research is descriptive and verification with a quantitative approach. This research was conducted at a private university in Bandung using a sample of 100 students. The sample selection was done incidentally, and the data obtained in this study were in the form of secondary and primary data. The results of this study indicate that e-service and perceived risk have an influence on consumers repurchase interest in using e-wallet applications. This result is also based on the acquisition of an R-Square value of 62.8%. However, not all applications in the e-wallet can lead to repurchase interest. This study emphasizes the Link Aja application however it can always provide even better services in order to remain competitive in the increasingly growing competition.

Keywords: E-Service, Perceived Risk, Buying Interest

I. INTRODUCTION

The current development of information and communication technologies has made the business world more progressive and change the patterns of activities in the trade industry (Rita & Oliveira, 2019). According to Suhartanto (2019), the progress has prompted many companies to implement technology into business operations, which may help companies in the competition. The use of the Internet in commercial activities is done by business people to increase sales and make it easier for both consumers and merchants (Moon, 2013). Many traders use the Internet and apps or e-commerce. The physical store is slowly but surely closed by the emergence of e-commerce (Chaffee & Bargain, 2018). Moreover, Kaur and Pandey (2020) state that compared with the physical store, online business offers more ease to customers. Customers simply sit at home, order, pay via credit card, or cash and wait until the items are delivered home. E-commerce in Indonesia is expanding rapidly by the growth of Internet penetration (Hermawan & Paramita, 2020).

In March 2017, Internet penetration reached slightly above 50% with 104.96 million Internet users. The number of Indonesian Internet users is projected to reach 133.39 million by 2021, making Indonesia one of the world's largest online markets (Foster, 2020). According to Hermawan (2020), Indonesia currently has about 28.2 million online buyers and is projected to see a 3-4% annual increase in the coming years. The majority of users are 25-34 years old and up to 12.8 million online shoppers in Indonesia. In addition, with large quantities of e-commerce and increased inter-commerce competitiveness, the problem is the decline in consumer interest in the use of online applications caused by the decline in service quality from ole platform e-commerce, in order or payment.

E-wallet is an electronic service that functions to keep both data and payment instruments that are used with CARDS as well as electronic money, deposits funds, and also makes payments (Ritardando, 2020). The e-wallet can even form a software program or an application or even a service made to save digital money and also perform online transactions between each user (Kustono & Nanggala, 2020). The e-wallet itself is starting to grow more and more as fintech startups in Indonesia. Governments have recently helped to publish a law that regulates the legality of transaction activities using electronic money to make it easier for digital technological adaptation processes (Widiyanti, 2020). On one of the e-wallet platforms, linkaja, is ranked fourth with a user acquisition of 9.76.
Table 1. E-The use of E-Wallet Application

<table>
<thead>
<tr>
<th>Name</th>
<th>Total Visit</th>
<th>Duration of Visit</th>
<th>Pages per Visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOPAY</td>
<td>150.63 M</td>
<td>00:04:09</td>
<td>4.33</td>
</tr>
<tr>
<td>OVO</td>
<td>95.03 M</td>
<td>00:04:56</td>
<td>4.56</td>
</tr>
<tr>
<td>DANA</td>
<td>43.18 M</td>
<td>00:08:25</td>
<td>14.08</td>
</tr>
<tr>
<td>LINKAJA</td>
<td>30.51 M</td>
<td>00:08:38</td>
<td>9.76</td>
</tr>
</tbody>
</table>

Source: similar web, 2021

From Table 1, it can be seen that linkaja ranked 4th in the analysis done by similar web when viewed from the total visit. This shows that interest in consumer purchase in linkaja is still being shipped far with another e-wallet such as Gopay, Ovo, and Dana (Widiyanti, 2020). This is linked to several problems such as the example of some cases involving the e-service quality on applications on both Android and IOS devices. This could, of course, influence interest in the reuse of the platform's consumers. Hence, this study was proposed to fill the gap in the literature marketing.

Previous research on Rifat and Nisha (2019) states that there was influence regarding e-service and perceived risk against reinterest. But what sets the difference between this study and previous research is that the object of this study was done on the Indonesian e-wallet platform or is often used by consumers in Indonesia for transactions. The purpose of this study is, (1) to find out how much e-service quality affects the renewed interest of perceived e-wallet linkaja, (2) to find out how much perceived risk might affect the reinterest of ze-wallet linkaja, (3) to find out how much e-service linkaja might have had and perceived risk against the renewed interest of the perceived e-wallet linkaja. The study is expected to contribute to the study of marketing management and may become an evaluation of problems or obstacles and provide input for a company's marketing strategy that promotes e-service quality.

II. LITERATURE REVIEW

E-Service Quality

The concept of e-service quality is derived from the traditional concept of service quality. The e-service quality is the extent of a website facilitating efficient, effective spending in purchasing and shipping (Rita & Oliveira, 2019). We should have features that provide either a subtract or information that creates value for customers that leads to loyalty (Zeithaml and Bitner, 2002). The quality of the online service (e-service quality) according to the chart is the extent that a website provides efficient and effective shopping facilities, purchases, and delivery to consumers (Kim & Kim, 2020). This explanation explains that a website or application should be effectively and efficiently should be able to facilitate purchasing, purchasing, and delivering products and services. Moon (2013) has also developed a dimension to measuring the quality of the online service that comes from traditional quality service, namely exploration, design, security, and customer service. As stated earlier that the definition of an e-service quality involves a process of interaction experience with websites during and after the online service was received. Andrew (2019) mentions that e-service quality could directly impact consumer repurchase interests.

H1. The quality of electronic services directly determines the interest of the consumer in the repurchase.

Perceived Risk

Consumers constantly have to make decisions regarding the products or services to be purchased (Rifat & Nisa, 2019). Uncertain decisions may expose the consumer to certain risks. Schiffman and Kanuk (2007) define predictability risk as the unpredictability of conditions faced by consumers when consumers cannot foresee or predict the consequences of an individual purchase decision. According to Masoud Nazirwan and Halim (2020), there are 6 dimensions for measuring risks in online purchases, which are financial, product risk, risk time, delivery risk, social and security risk. According to Febriana and Yulianto (2017), perceived risk is uncertainty and consequences associated with consumer actions such as, computer fraud and security research, have found that online consumers are usually exposed to security threats such as rejection of services, destruction, streaming data, phishing and systems bad (Utami, 2017). Ecclesiastical research, T and Skates (2020) points out that increased risk affected consumer repurchase decisions.

H2. The risks were deemed indifferent to the interests of repurchasing customers.
Interest in Repurchase

Saputra and Sukardi (2020) explained that interest in repurchase arises after an alternative process of evaluation. In the process of evaluation, a person will make a selection of products to be purchased on both basis and interest (Schiffman & Kanuk, 2007). Repurchase interests are judged as a fundamental aspect of determining consumer behavior in a particular brand. The general interest in buying came when the consumers were initially just trying to buy some products (Endriyasari, 2019). Interest repurchase is essentially the behavior of the customer in which the customer responds favorably to the quality and satisfaction the company receives from the company, which will enable the customer to make return visits or consume the company's products. By the full moon (2020), there are four indicators in measuring repurchase interest, that is (1) transactional interest, (2) referential, (3) prevention interest, (4) exploration interest. Full research (2020) suggests that e-service and perceived risk affect interest in the repurchase.

H3. E-service quality and perceived risk affect for repurchase interest

![Figure 1. A Conceptual Framework](source)

Source: Kim and Kim (2020); Sakti and Sukaris (2020)

III. METHODOLOGY

The study was conducted at one of the city's private universities in Bandung, West Java, Indonesia, using its students as responders. The study USES a descriptive method with a quantitative approach by spreading questionnaires. Sample calculations used the iteration formula with 100 people who responded. As for the sample sampling technique in this study, it is a non-sampling sample with incidental samples taken. According to Uma (2016), incidental sampling is a sample control technique based on the chance at the time that is used as a sample if there is a match. Data sources are acquired in research of secondary and primary data.

IV. RESULTS AND DISCUSSION

Profile Respondent

From the 100 questionnaires that have been published and the data analyzed have 54.8% of male and 43.5% female. Most of the students in the class of 2018 and the business and management faculty. This suggests that it represents a millennial generation with an average of 80% age of 20-30 years, and 20% is 30 to 35. The e-wallet application is the most often used for online transactions.

Descriptive Analysis

Many students currently use online applications to meet their needs, noting the types of payments that can be made. However, not all payment applications can be convenient, but there is still difficulty sorting out those that may be good. As for responses on the variables of research are as follows:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Service</td>
<td>3.25</td>
<td>Stratospheric</td>
</tr>
<tr>
<td>Perceived Risk</td>
<td>3.12</td>
<td>Conducive</td>
</tr>
<tr>
<td>Interest repurchase</td>
<td>3.13</td>
<td>High</td>
</tr>
</tbody>
</table>

Source data prepared (2021)
Validity and Reliability Analysis

Validity tests on e-service variables, perceived risk, and repurchase interests have significant value > 0.5 or in other valid words. As for religious testing are as follows:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach Alpha</th>
<th>Critical Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Service</td>
<td>0.922</td>
<td>0.60</td>
<td>Reliable</td>
</tr>
<tr>
<td>Perceived Risk</td>
<td>0.938</td>
<td>0.60</td>
<td>Reliable</td>
</tr>
<tr>
<td>Interest repurchase</td>
<td>0.938</td>
<td>0.60</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Multicollinearity Test

In Table 4 can be seen that an independent variable has no less than 0.10 value of tolerance. Variance factor (VIF) also indicates that independent variables may have a VIF value of no more than 10. So, it can be concluded that independent variables do not occur multicollinearity.

<table>
<thead>
<tr>
<th>Coefficients²</th>
<th>Specimen</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>e-service (X1)</td>
<td>.550</td>
</tr>
<tr>
<td></td>
<td>Perceived risk (X2)</td>
<td>.738</td>
</tr>
</tbody>
</table>

Regression Analysis

From the chart above-gained value Constanta (a) of 2.534, regression coefficient value for e-service (b1) of 0.379, regression coefficient value for perceived risk (b2) of 0.331. Regression equality that describes the influence of e-service and perceived risk against repurchase interests as follows:

\[ Y = 2.534 + 0.379 x_1 + 0.331 x_2 \]

Regression coefficient shows the better E-Service and the more risk proved so it can increase customer purchase intent.

Table 6. Coefficient Determinations
### Model Summary

<table>
<thead>
<tr>
<th>Specimen</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.796&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.634</td>
<td>.632</td>
<td>1.06890</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Perceived risk (X2), e-Service (X1)

Source: Data prepared 2020

Based on the results in Table 6, it is known that the resulting value of coefficient correlation (r) is 0.796. The results showed that 0796 was in between 0.60-0.79. This means that the e-service and perceived risks to the interest of repurchase have a strong level of relationship.

### Table 7. Coefficient Determinations Test

<table>
<thead>
<tr>
<th>Specimen</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.789&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.628</td>
<td>.624</td>
<td>1.06990</td>
</tr>
</tbody>
</table>

Source: data prepared 2021

According to the counter, r-square or coefficient determinations based on 0.628 suggests that e-service and perceived risk affect interest in buying the consumer 62.8% while the rest is 100% - 62.8% = 37.2% affected by factors not being scrutinized in the study.

### Table 8. Test Results F

<table>
<thead>
<tr>
<th>Specimen</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2038.085</td>
<td>3</td>
<td>679.362</td>
<td>49.243</td>
<td>.000&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Residual</td>
<td>1725.262</td>
<td>120</td>
<td>14.377</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3763.347</td>
<td>123</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Consumer Reinterest (Y)
b. Predictors: (Constant), Perceived risk (X2), e-Service (X1)

Source: data prepared 2021

Based on calculations presented in the table it may be known that the regression model has an f-count of 49.243 with an p-value = 0.000 that suggests a significant test conclusion hypothetically. E-Service and Perceived risk have an influence on consumer repurchase interest.

### The Effect of E-Service Quality Influence on Customer Repurchase Interest

Based on the hypothesis testing results, the e-service has a strong relationship to repurchase interests. The findings may explain that, at present, it cannot be denied that the growing technology and information technologies make every company adopt them. It also explains that the better a service may be given, the higher the interest on the repurchase of consumers. Similarly, if a service is bad it can have an impact on interest repurchase. The study therefore is supported by Andrew (2019), which states that e-service quality has influenced interest in the repurchase of consumers.

### Perceived Impact of Perceived Interest in the Repurchase of Consumers

Based on the results of hypothetical testing, that the perceived risk has a strong connection to repurchase interests. This harmonizes with a Febriana (2017), consumer who has dealt with high-risk risk is likely not to reuse the same product or service. Research indicates that the currently bustling e-wallet application is susceptible to risks associated with data security. Findings suggest that sometimes consumers are skeptical of the data's safety.
Therefore, companies should be able to guarantee and convince their consumers so that they can calmly select applications.

**E-Service and Perceived Risk Impacts on Customer Repurchase Interests**

Saputra and Sukardi (2020) explain that interest in repurchase arises after the alternative process of evaluation. Based on the acquisition of hypothetical testing, the e-service and perceived risk may be in a strong relationship. This, as the full moon points out, the R (2020) that the better services and perceptions the higher the consumer interest in the repurchase.

**V. CONCLUSION**

Based on the result of research conducted on the 100 who used the e-wallet application, it was concluded that the e-service and perceived risk by consumers were very good. However, not all applications on e-wallet get a good perception from consumers, especially at linkaja. Based on the linear regression analysis with multiple, e-service variables and perceived risk affect simultaneous (together) interest in consumer repurchase. This suggests that both variables would be a measure for the consumer in performing a return service. In the transaction. It is also supported by full research (2020) that variables -service and perceived risk against repurchase in use of the digital wallet application. The study also emphasizes that the importance of providing both digitally and non-digitally qualities of service to increase trust for the consumer seeing the consumer interest variable such as the quality of the product, the atmosphere store, and so on.

**REFERENCES**