**Risk of Fraud as a Variables of Trust Moderation of Purchases Through the Intention to Buy E-Commerce**

**ABSTRACT**

This study aims to analyze and obtain empirical evidence of deceptive behavior as a moderating variable of trust in purchasing through e-commerce purchase intentions. The data of this research were obtained from the results of collecting a questionnaire of 100 respondents who were consumers who had made transactions through e-commerce sites. Testing the hypothesis in this study using the measurement model (Outer Model) and structural models (Inner Model) with the application of Partial Least Square (PLS). The PLS program used is SmartPLS version 3.02.8. The results of this study indicate that trust has a positive effect on purchase intentions, but with deceptive behavior as moderation, deceptive behavior weakens the relationship between trust in purchasing through E-Commerce and purchase intention as a mediating variable. Purchase intention is proven to be a mediating variable that mediates trust in mentally buying. The government should be more assertive in handling cases of e-commerce crime that are rife to create security and comfort for e-commerce site users.

Keywords: Deceptive Behavior, Trust, Intention to Buy, Purchase, E-commerce

**INTRODUCTION**

In the current era of globalization, technology and information are developing quite rapidly, especially the use of the internet. The internet is not only used to find information but has also been used as a means of communication so that many Indonesians use the internet. The internet is widely used by business people and producers as a marketing medium to market their products. Electronic commerce (e-commerce) is the use of computer networks to buy, sell, transfer, and exchange products, services, or information (Anwar and Adidarma 2016).The emergence of e-commerce today has made it easier for consumers to shop. People do not need to go to shopping centers such as markets, supermarkets, supermarkets, or malls. People only need to look for necessities through a computer connected to the internet. Trust is the basis for an online buying and selling transaction. A business transaction between two or more parties will occur when each of them trusts the other. Trust is a key factor in online buying and selling (Koufaris and Hampton-Sosa 2004) The trust that is formed will affect consumer purchase intentions in online stores. Purchase intention is the desire of consumers to buy certain goods. With the development of trade through e-commerce, of course, it creates new problems, namely the number of frauds when shopping online (Nurwita 2015).

The increasing number of online shopping sites has made many people abuse the convenience of these online shopping sites. Fraudulent behavior that often occurs in the community is that many goods are not sent by the seller of the goods, the goods do not match the picture, sometimes even not according to the quality that is informed on the online shop. In this case of fraud, of course, the consumer feels aggrieved, sometimes even consumer data can also be misused. Fraud cases often occur on online buying and selling sites, so that the trust factor is of great concern to online consumers. Perceived risk factors and trust have a strong influence on buying interest which leads to purchasing decisions that consumers will take (Kim and Park 2013). The existence of deceptive behavior that occurs in e-commerce transactions greatly affects consumer purchase intentions. Purchase intention is measured by asking about the possibility of buying products offered on online buying and selling sites. Purchase intention is a stage of the consumer's tendency to act before actually making a purchase (Martinez and Kim 2011). According to the Theory of Reasoned Action (TRA) or the theory of reasoned action developed by (Ajzen and Fishbein 1980), it is explained that intention will influence a person's behavior in determining the decision to do or not do a behavior.

The difference between this study and previous research is that, if the research of (Meutia and Meldi 2017) aims to determine the impact of perceived risk and trust on purchase intentions, this study aims to determine whether there is an effect of deceptive behavior and trust on purchases through e-commerce with the intention buy as a mediating variable. The research object and location of this study are also different from previous studies. Previous studies were only conducted in the city of Aceh with the e-commerce site Zalora.co.id (Meutia and Meldi 2017), students of the Faculty of Economics, Yogyakarta State University (Putra and Adhi 2013), in the city of Semarang with an e-commerce site. Bukalapak.com (Yunita et al. 2016), and consumers who use GO-JEK online transportation services in the Semarang area (Reza and Kholis 2018), Whereas in this study the objects used were all e-commerce customers in Indonesia who came from all walks of life such as housewives, workers, students, and other professions.

In the research of (Yunita et al. 2016), purchase intention is not an intervening variable that mediates trust in online purchases on the Bukalapak.com e-commerce site. Purchase interest is proven to be able to play a role as an intervening variable, but the object of this research is consumers who use online transportation services, not consumers who use e-commerce sites (Reza and Kholis 2018) So in this study will use purchase intention as a mediating variable, to mediate trust in purchases using e-commerce sites with deceptive behavior as a moderator of the influence of trust on purchase intentions through e-commerce, which is of course not only one e-commerce site and one city but various e-commerce sites and ten major cities of e-commerce users in Indonesia.

**LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

**Theory Of Reasoned Action (TRA)**

Theory of Reasoned Action (TRA) is a theory developed by (Ajzen and Fishbein 1980), Theory of Reasoned Action (TRA) offers a persistent explanation of a behavior or action. This theory explains that intention (intention) will influence a person's behavior in determining the decision to do or not to do a behavior. The intention to do or not do certain behaviors is influenced by basic determinants, the first is related to attitudes towards behavior (attitude towards behavior) and the other is related to social influences, namely subjective norms (Ajzen and Fishbein 1980), TRA assumes a causal chain that connects behavioral beliefs and normative beliefs with behavioral and behavioral intentions, through attitudes and subjective norms (Ajzen and Fishbein 1980).

The reason for using the theory of reasoned action in this study is because this theory provides a basis for analyzing the behavioral components in operational items. Right on target in predicting behavior can be directly observed and within one's control. This theory combines attitude which in this study is represented by the variable of deceptive behavior, a subjective norm which in this study is represented by the variable of trust, the intention which in this study is represented by the purchase intention variable, and behavior which in this study is represented by the purchase variable.

**E-commerce**

E-commerce is a new form of the trading industry that is changing the face of the global economy. This factor is one of the main triggers for the shift in the trading industry which directly benefits because the existence of an e-commerce system is very useful in cutting costs and at the same time helping business people in establishing relationships with customers. In other words, e-commerce is a way in which sellers and buyers interact and make transactions through computer networks and online services (Bojang 2017). E-commerce is the activity of selling and buying goods or services via the internet. E-commerce can be done by anyone, without limitation of space and time (Putra and Adhi 2013).

**Trust**

Trust is the belief of certain parties towards others in conducting transaction relationships based on a belief that e-commerce sites consist of ability, benevolence, and integrity (McKnight and Chervany 2002). So trust is defined as one of the social consequences because humans interact with other people. This consequence arises because interacting in buying and selling requires one important point before the buyer decides to buy from the seller, namely trust in the seller. In e-commerce transactions, trust is applied before the transaction and after the purchase transaction, which is the belief after this purchase transaction as a direct experience for the buyer whether on another occasion the buyer will decide to make a transaction with the same seller (Reza and Kholis 2018). Trust is divided into two, namely offline trust, which appears between offline sellers and customers, and the second is online trust, which is between online sellers and customers (Koufaris and Hampton-Sosa 2004). Based on the explanation above, the following hypothesis is formulated:

H1: Trust has a positive effect on purchases through e-commerce with purchase intention as a mediation

**Risk Of Fraud**

Deceptive behavior through e-commerce is an illegal transaction to gain profits for online sellers which of course will harm consumers financially and cause consumer fear and become a security threat for e-commerce consumers (Kim, Ferrin, and Rao 2008).In general, fraud has been regulated as a criminal offense by article 378 of the Criminal Code. Online cheating behavior is the same as conventional fraud. The difference is only in the means of action, namely using electronic systems (computers, internet, telecommunication equipment) (Monica 2013). The rapid development of the use of internet services has resulted in other negative impacts, namely in the form of crimes and violations, which later emerged the term cybercrime (Monica 2013). Based on the explanation above, the following hypothesis is formulated:

H2: Risk Of Fraud moderates trust in purchase intentions through e-commerce

**Intention to Buy**

The formation of purchase intention is a theory of reasoned action, this theory is taken from previous research on the theory of attitude which studies the relationship between behavior and attitudes (Ajzen and Fishbein 1980). Purchase interest is a psychological aspect that influences a person's behavior (Schiffman and Kanuk 2007). The purchase decision is preceded by an intention in the mind of the buyer to make online purchase transactions that were previously influenced by trust (Yunita et al. 2016). High consumer buying interest will encourage consumers to make purchase transactions online. Conversely, low buying interest will prevent consumers from making purchases online.

**Purchase**

The purchase decision is a stage in the process where consumers purchase so that the purchase decision is part of consumer behavior when deciding to buy. Consumer behavior is a complex psychological response, which appears in the form of behavior that is unique to individuals who are directly involved in obtaining and using products, and determining the decision-making process for purchasing products, including repurchasing (Zulfa and Hidayati 2018).

**Methods and Data Collection**

The method used in this research is a quantitative approach, using a survey method through a questionnaire. The survey was conducted on respondents who had shopped via e-commerce sites in the last 6 months at least. The data used in this study are primary. The primary data in this study is in the form of questionnaire results obtained from respondents who use e-commerce sites in major cities in Indonesia.The population used in this study are consumers who have bought goods/products through e-commerce websites in Indonesia. The samples of this study are consumers of all professions who have purchased goods through e-commerce websites in major cities in Indonesia, including the islands of Sumatra (Palembang City), Java, and Bali islands (Jakarta, Bandung, Semarang, Yogyakarta, Surabaya, Denpasar), Kalimantan Island (Pontianak City), Sulawesi Island (Makassar City and Kendari City). In this study, the sample used was 100 respondents. From the total respondents divided by ten cities, each city consisted of about seventeen to twenty respondents.

**Technical Analysis Data**

This study conducted data analysis using Smart PLS version 3.2.8 software. (Ghozali and Latan 2015).

**Table 1. Testing Phase of the Measurement Model**

|  |  |  |  |
| --- | --- | --- | --- |
| **Stages** | **Type of Measurement** | **Terms** | **Source** |
| Convergent Validity Test | AVE Value | >0.5 | (Ghozali and Latan 2015) |
| The loading value of each item | >0.05 | (Ghozali and Latan 2015). |
| Discriminant Validity Test | The square root value of AVE | The value of the square root of AVE is greater than the correlation value between constructs | (Ghozali and Latan 2015). |
| Reliability Test | Composite Reliability value | >0.7 | (Ghozali and Latan 2015). |

The structural model test (inner model) can be seen using the R-square to assess how much influence certain independent variables have on the dependent variable, and the path coefficient or p-value of each path to test the significance between constructs in the structural model (Ghozali and Latan 2015).

**Results and Discussion**

Respondents in this study are consumers who have purchased products/goods through e-commerce websites in Indonesia. There are 19 questions to be tested in the questionnaire in this study which must be answered by 100 respondents. The majority of respondents in this study were women with a percentage rate of 73.8%. As for the age group 25-35 years with a percentage rate of 34.2%, based on the work of employees with a percentage rate of 40.6%. Meanwhile, based on the education level of the majority of undergraduates with a percentage level of 55.1%, the average income that often makes online purchases is 1-5 million with a percentage level of 62.6%.

**Evaluation of Measurement Model (Outer Model)**

**Convergent Validity Test**

The indicator is considered valid if the AVE value is above 0.5 or shows that all outer loading dimensions of the variable have a loading value of> 0.5 (Ghozali and Latan 2015). In this study, each question item had a value above 0.5 and also the AVE value for each variable had a value above 0.5. So it can be concluded that all indicators in the variables in this study can be declared valid.

**Discriminant Validity Test**

The discriminant validity test can be accepted if the square root value of AVE is greater than the correlation value between constructs (Ghozali and Latan 2015). Another way to fulfill the discriminant validity test is to look at the cross-loading value for each instrument which must be more than 0.5 (Ghozali and Latan 2015). In this study, the correlation value for each variable with the variable itself has a greater value than the correlation with other variables. Thus, all variables in this study were declared valid and had met the discriminant validity test.

**Reliability Test**

To test the reliability of a construct, it can be seen from the composite reliability value. A construct is declared reliable if it has a composite reliability value above 0.7 (Ghozali and Latan 2015).

**Table 2. Value of Composite Reliability**

|  |  |  |
| --- | --- | --- |
| **Variabel** | ***Composite Reliability*** | Explanation |
| Trust | 0.938 | Reliable |
| Moderating Effect 1 | 1.000 | Reliable |
| Intention to Buy | 0.918 | Reliable |
| Purchase | 0.884 | Reliable |
| Risk of fraud | 0.872 | Reliable |

From the table above, it can be concluded that all the variables used in this study are reliable because all variables have a composite reliability value> 0.7.

**Evaluation of the Structural Model (Inner Model)**

After the outer model requirements are accepted, the next step is to evaluate the structural model (inner model). The structural model can be seen through the R-square value which aims to assess how much influence the independent variable has on the dependent variable and path coefficients (Ghozali and Latan 2015).

**Table 3. R-Square Value**

|  |  |
| --- | --- |
| **Variabel** | ***R-Square*** |
| Intention to Buy | 0.353 |
| Purchase | 0.619 |

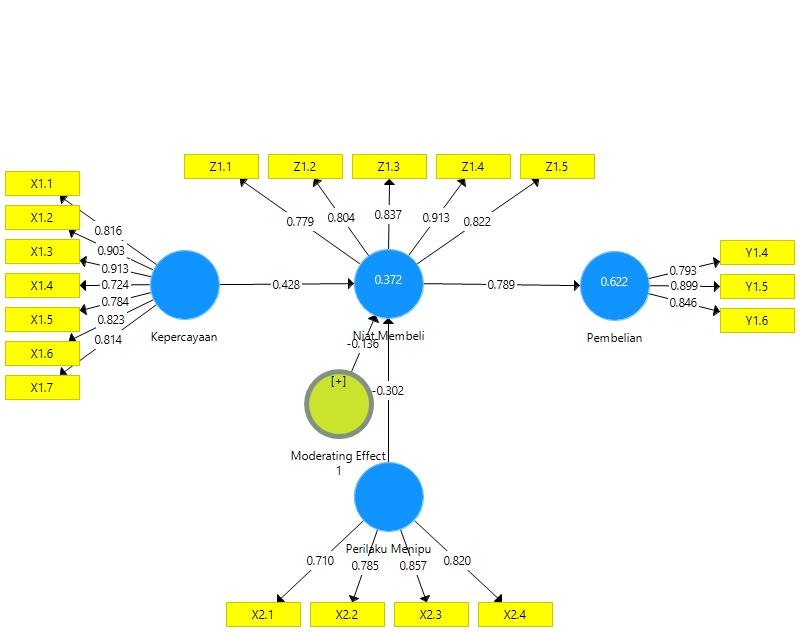
The last analysis is hypothesis testing through the bootstrapping procedure. A relationship can be declared significant and accepted if the p-value is more than 0.5.

**Table 4. Path Coefficients and T-Statistics**

|  |  |  |  |
| --- | --- | --- | --- |
| **Construct** | ***Original Sample* (O)** | ***p-value*** | Explanation |
| Trust  Intention to Buy | (+) 0.428 | 0.000 | Supported |
| Moderating Effect 1  Intention to Buy | (-) 0.136 | 0.014 | Supported |
| Intention to Buy  Purchase | (+) 0.789 | 0.000 | Supported |
| Risk Of Fraud  Niat membeli | (-) 0.302 | 0.005 | Supported |

**Table 5. Path Coefficients and T-Statistics**

|  |  |  |  |
| --- | --- | --- | --- |
| **Construct** | ***Original Sample* (O)** | ***p-value*** | Explanation |
| Trust  Intention to Buy  Purchase | (+) 0.337 | 0.000 | Supported |
| Moderating Effect 1  Intention to Buy  Purchase | (-) 0.107 | 0.015 | Supported |
| Risk of fraud  Intention to Buy  Purchase | (-) 0.238 | 0.004 | Supported |



**Picture 1.1**

**Discussion**

**Trust has a positive effect on purchases through e-commerce with purchase intention as a mediation.**

Trust is an important foundation in doing business. Trust is a catalyst consideration in various transactions between sellers and buyers with the aim of consumer satisfaction being realized as expected (Koufaris & Hampton-Sosa, 2004). The results of the path coefficient for the influence of trust on purchasing variables through purchase intention obtained a parameter coefficient value of 0.337 so that there is a positive influence on trust towards purchasing via the e-commerce site. In this study, the p-value obtained was 0.000 or <0.05, which means that there was a significant effect. With a sense of trust, consumers feel that transactions using e-commerce sites are considered safe enough and are as expected. So that the first hypothesis of this study is supported.

**The second hypothesis Risk Of Fraud moderates the effect of trust on purchase intentions.**

Deceptive behavior is one of the important obstacles that consumers consider when making online purchases (Anwar and Adidarma 2016). The results of the path coefficients for the effect of deceptive behavior on the purchase intention variable obtained a parameter coefficient value of -0.107 so that there is a negative effect of deceptive behavior on purchase intentions through e-commerce sites. The more deceptive behavior in e-commerce transactions, the lower the purchase intention. In this study, the p-value obtained was 0.000 or <0.05, which means that there was a significant effect. The results of this test are by the proposed hypothesis. Even though trust is the influence of a person to have the intention to buy, the existence of deceptive behavior weakens someone to carry out a purchase transaction (Puspitarini 2020). This study supports the theory developed by (Ajzen and Fishbein 1980) that a person's behavior will influence a decision and is by research conducted by (Meutia and Meldi 2017) which explains that deceptive behavior hurts purchase intentions. So that the second hypothesis of this study is supported

**Conclusion**

This study aims to determine deceptive behavior as a moderating variable of trust in purchases through e-commerce purchase intentions. As we all know, the issue of fraud has recently occurred in online buying and selling media. Based on the results of the discussion in the previous chapter, the following conclusions can be drawn:

1. The effect of trust on purchases through purchase intention on e-commerce sites

2. Deceptive behavior moderates the effect of trust on purchase intentions

Based on the conclusions and limitations of the research above, the suggestions that can be given by the researcher are:

1. For further researchers to further develop this research by adding variables that have not been used in this study and using the development of the TRA theory, namely TPB so that there are control variables that affect purchases in transactions on e-commerce sites. The sample could be even more and from all capitals in Indonesia.
2. The government must act decisively in handling cases of fraud in e-commerce transactions and impose sanctions by applicable laws
3. Sellers on e-commerce sites must increase security so that fraudulent behavior such as deceptive behavior that harms consumers financially or misuses the identity of buyers does not occur in purchase transactions through e-commerce sites.
4. Sellers on e-commerce sites should continue to maintain good relationships and make consumers feel comfortable and then a high sense of trust will arise, therefore trust is the main capital of consumers when deciding to make transactions on e-commerce sites. The higher the consumer's trust, the stronger the purchase intention through e-commerce sites.
5. Consumers who have become victims of crimes in e-commerce transactions are advised to report to the authorities if their rights have been violated by business actors.

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