

The Effect of Customer Trust, Lifestyle, and Attitude on the Online Buying Decision

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Abstract

The internet is essential for business. It is because all people apply this connection to do their online activities, for example, buying. Therefore, many online platforms appear to facilitate it. The research about the decision to buy online and its determinants is numerous. In this study, three determinants want to get investigated: trust, lifestyle, and attitude. By employing the undergraduate management students in Universitas Kristen Krida Wacana as population and stratified random sampling as the method to take the samples, this study has the goal to examine these three effects on the decision to purchase online. Before testing the effect of trust, lifestyle, and attitude on the online buying decision, the data collected from the online survey get validated first by the confirmatory factor analysis. Then, the reliability test by the Cronbach Alpha analysis becomes the following step. Furthermore, after examining the statistical hypotheses by the structural equation based on variance, this study reveals that trust does not affect the online purchasing decision. However, lifestyle and attitude become the determinant with a positive sign. It implies that the platform has to be able to provide a safe transaction to raise the trust of the customer to buy online, the sellers have to assure the fits of products offered and delivery time promised.

Keywords: lifestyle; attitude; online buying decision.

1. Introduction

Nowadays, all persons are familiar with the internet. By their smartphone or laptop computer, they communicate themselves by its connection to support their activities, such as delivering email, making a video conference (Beal, 2005), shopping goods (Katawetawaraks & Wang, 2011). This situation inspires retailers to change the way to distribute their products. They do not open the stores in the strategic areas anymore because of the costly operating activities and limiting the flexibility of people to buy. Instead, they sell their product through online platforms (Wicaksono, 2008).

By referring to the information from ASEAN Up (2019), ten popular platforms facilitating online shopping in Indonesia in 2019 exist. They are *Tokopedia*, *Shopee* Indonesia, *Bukalapak*, *Lazada* Indonesia, *Blibli*, *Orami*, *JD.id*, *Bhinneka*, *Sociolla*, and *Zalora* Indonesia. This situation makes consumers possess many alternatives to purchasing goods online.

Many done studies exist to investigate the reasons behind the decision of customers to buy goods online either in Indonesia (Rahayu, Zuhriyah, & Bonita, 2015; Widiyanto & Prasilowati, 2015; Widodo & Qurniawati, 2016; Wardoyo & Andini, 2017; Ashari & Widayanto, 2018; Gunawan, Linawati, Pranandito, & Kartono, 2019) or outside Indonesia; for example, Lin & Shih (2012), Khilji & Khan (2016), Al-Dmour, Hammdan, Al-Dmour, Alrowwad, & Khwaldeh (2017), Das & Panigrahi (2017), Bhatti (2018), Oghazi, Karlssonb, Hellströmb, & Hjorthb (2018), Rehman, Bhatti, Mohamed, & Ayoup (2019).

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Based on these previous studies, at least three determinants get attempted to investigate, such as trust (Wardoyo & Andini, 2017; Ashari & Widayanto, 2018; Oghazi et al., 2018; Gunawan et al., 2019; Rehman et al., 2019;), lifestyle (Lin & Shih, 2012; Rahayu et al., 2015; Wardoyo & Andini, 2017; Al-Dmour et al., 2017; Das & Panigrahi, 2017) and attitude (Widiyanto & Prasilowati, 2015; Widodo & Qurniawati, 2016; Khilji & Khan, 2016; Das & Panigrahi, 2017; Ashari & Widayanto, 2018; Bhatti, 2018). Unfortunately, some evidence is still inconsistent, as exhibited below:

- a) by investigating the effect of trust on the online buying decision, Ashari & Widayanto (2018), Oghazi et al. (2018), and Rehman et al. (2019) display positive. Meanwhile, Wardoyo & Andini (2017) and Gunawan et al. (2019) do not express a meaningful impact.
- b) by studying the effect of lifestyle on the online buying decision, Lin & Shih (2012), Rahayu et al. (2015), Al-Dmour et al. (2017), and Wardoyo & Andini (2017) show a positive. Meanwhile, Das & Panigrahi (2017) cannot find an impact.
- c) by examining the effect of attitude on the online buying decision, Widiyanto & Prasilowati (2015), Khilji & Khan (2016), Das & Panigrahi (2017), and Ashari & Widayanto (2018), Bhatti (2018) indicate a positive. Meanwhile, Widodo & Qurniawati (2016) cannot locate an impact.

Some studies employing the students in higher education as the object are available and get done in an ordinary period (Lin & Shih, 2012; Rahayu, Zuhriyah, & Bonita, 2015; Widodo & Qurniawati, 2016; Wardoyo & Andini, 2017; Ashari & Widayanto, 2018). Different from them, this study uses the management students in the undergraduate department in Universitas Krida Wacana during COVID 19 pandemic in Jakarta from March to April 2020. Indeed, according to Matompo (2020), the online transaction is essential because the on-site transactions need reducing to avoid this pandemic.

2. Literature Review

2.1. *The effect of customer trust on the online buying decision*

By employing the students from the faculty of social and political sciences of Diponegoro University, Semarang, the study of Ashari & Widayanto (2018) reveals that trust positively affects the online buying decision. By utilizing the consumer of fast-moving goods in Sweden, the study of Oghazi et al. (2018) concludes that trust has a positive impact on the decision to purchase online. Also, Rehman et al. (2019), in their investigation on students and lecturers in Pakistan, find that online shopping decision needs a positive trust from consumer. By denoting this research evidence, the first hypothesis is as follows.

H₁: Trust has a positive effect on the online buying decision.

2.2. *The effect of customer lifestyle on the online buying decision*

Lifestyle describes how customers spend their time on some activities, what they are interested in, and think of themselves, including situations around them (Setiadi, 2019). Related to an online buying decision, the investigation of Lin & Shih (2012) by utilizing students from 10 universities in Taiwan finds each aspect of lifestyle (activity, interest, and opinion) positively influences it. Also, Rahayu et al. (2015) reveal that lifestyle positively affects an online buying decision of the students from the private university in Palembang, Indonesia. Besides, Al-Dmour et al. (2017) find similar proof when investigating this behavior of the buyers of online tickets for a flight in Jordania. Furthermore, Wardoyo & Andini (2017) prove the same fact when studying Gunadarma University students to decide to purchase online. By standing for this research evidence, the second hypothesis is as follows.

H₂: Lifestyle has a positive effect on the online buying decision.

2.3. *The effect of customer attitude on the online buying decision*

Attitude is a response of consumers to evaluate something based on their valuation: good or bad (Setiadi, 2019). The

study of Widiyanto & Prasilowati (2015), employing the people in Semarang, find that online purchasing decision stands positively determined by attitude. Likewise, this positive impact gets proven by Khilji & Khan (2016) when investigating adolescence in Pakistan, Das & Panigrahi (2017) when studying IT Professionals in Oshida State, Ashari & Widayanto (2018) when inspecting the students from the faculty of social and political sciences of Diponegoro University, Semarang. By indicating this research evidence, the third hypothesis is as follows.

H₃: Attitude has a positive effect on the online buying decision.

3. Methods

3.1. Variable Definition

The variables used in this study are latent. The first latent variable is online buying decision acting as the dependent variable. The second, the third, and the fourth perform as the independent variables: customer trust, lifestyle, and attitude, respectively. Each indicator of online buying decision mention the study of Widiyanto & Prasilowati (2015), customer trust denotes the study of Rehman et al. (2019), lifestyle refers to the study of Maharani & Sevriana (2017), and attitude indicates the study of Widiyanto & Prasilowati (2015) and Maharani & Sevriana (2017), where the statement for each indicator exist in Table 1.

Table 1. Online buying decision, trust, lifestyle, attitude, and their indicators

Variable	Indicator	Source
Online buying decision	I am determined to decide to buy goods online (OBD1).	Widiyanto & Prasilowati (2015)
	The decision to buy goods online is already accurate (OBD2).	
	I quickly decide to buy goods online (OBD3).	
Trust	The platform guarantees security in its online transaction system (T1).	Rehman et al. (2019)
	The platform protects the personal data of customers from hackers (T2).	
	The platform does not abuse the personal data of customers for merchandisable purposes (T3).	
	The platform has a transparent assurance policy for customers (T4).	
Lifestyle	I recognize the informational technology well (LS1).	Maharani & Sevriana (2017)
	I love the tendency of goods (LS2)	
	I love the simplicity of buying goods online (LS3).	
	I love meeting new people by buying goods online (LS4).	
	I spend a little time to buy goods online (LS5).	
Attitude	I like buying goods online due to the same displayed product as the delivered product (ATT1)	Maharani & Sevriana (2017)
	I like buying products online because I only need to wait for them at home (ATT2)	
	Buying goods online makes the users comfortable (ATT3)	Widiyanto & Prasilowati (2015)
	The online buying transaction process can get trusted (ATT4)	

3.2. Population and Samples

This investigation utilizes the active students taking a bachelor in management in Universitas Kristen Krida Wacana batches 2017, 2018, and 2019 as the population. According to the data from the administration staff, their number is 128, 137, and 110, respectively. Therefore, the total (N) is 375. To know the number of samples (n), the Slovin formula having the margin of error (e) of 5% gets utilized. This formula, furthermore, is available in the first equation.

$$n = \frac{N}{1+Ne^2} \tag{1}$$

After using this formula, the total samples obtained are $\frac{375}{1+375(5\%)(5\%)} = \frac{375}{1.9375} = 193.55 \approx 194$.

Due to three available batches, this study uses the stratified random sampling method, where these batches act as the strata. The allocation of the number of population to total samples of 66, 71, and 57 students is in Table 2.

Table 2. The number of population and samples based on the strata of the batch

Batch	The total students as the population	%	The total students as the samples
2017	128	34.13%	66
2018	137	36.53%	71
2019	110	29.33%	57
Total	375	100%	194

3.3. Method of Data Collection

In this study, the data get collected by a survey method from March to April 2020. Hartono (2012) explains that this method utilizes the list of questions to acquire the responses. Consequently, the five points of the Likert scale is useful to measure them, as required by Sugiyono (2012). This situation leads to the demand for the test of validity and reliability. To realize these tests, moreover, this study uses the analysis of confirmatory factor and Cronbach Alpha as the method, as Ghozali (2016) suggests.

3.4. Method of Data Analysis

A structural equation model (SEM) in this research stands applied as the method of data analysis because of the use of latent variables (Ghozali, 2014). Furthermore, the SEM is available in the following equation.

$$OBD = \beta_0 + \gamma_1 T + \gamma_2 LS + \gamma_3 ATT + \zeta_1 \quad (2)$$

Validity and reliability tests of the answer to respondents is essential before the statistical hypotheses to do. The validity and reliability tests measure how accurate and consistent the responses are, one-to-one.

- a. Validity gets inspected by the confirmatory factor analysis with the cut-off point of the loading factor of 0.5 (Sholihin & Ratmono, 2013). It means if the loading factor of indicators reflecting each variable surpasses 0.5, the answer of respondents is accurate.
- b. Reliability gets inspected by the Cronbach Alpha (CA) analysis with the cut of point of CA of 0.7 (Ghozali, 2016). It means if the CA of the response group of each variable exceeds this point, the answer of respondents is consistent.

The statistical hypothesis test procedure is essential to inspect γ_1 , γ_2 , and γ_3 . The first stage is stating the null and alternative hypothesis (H_0 and H_a).

- For the first hypothesis, the statistical one is as follows.
 H_{01} : $\gamma_1 \leq 0$: Trust has no effect or a negative effect on an online buying decision.
 H_{a1} : $\gamma_1 > 0$: Trust has a positive effect on an online buying decision.
- For the second hypothesis, the statistical one is as follows.
 H_{01} : $\gamma_2 \leq 0$: Lifestyle has no effect or a negative effect on an online buying decision.
 H_{a1} : $\gamma_2 > 0$: Lifestyle has a positive effect on an online buying decision.
- For the third hypothesis, the statistical one is as follows.
 H_{03} : $\gamma_3 \leq 0$: Attitude has no effect or a negative effect on an online buying decision.
 H_{a3} : $\gamma_3 > 0$: Attitude has a positive effect on an online buying decision.

The second and the third stage is setting the significance level (α) of 5% and obtaining the probability value of t-statistic, separately. As the fourth one, comparing α with probability value is vital to acquire a statistical conclusion by indicating this instruction.

- If the probability value goes beyond or similar to 5%, the null hypothesis gets acknowledged.
- If the probability value goes under 5%, the null hypothesis gets prohibited.

4. Result and Discussions

4.1. The test result of validity and reliability

Table 3 provides the output of the validity, shown by the confirmatory factor analysis containing the loading factor (LF) from OBD1 to OBD3, T1 to T3, LS1 to LS5, and ATT1 to ATT4, where each of them is more than 0.5 as its cut-off value; hence, the answer of respondents to them is accurate. Also, this table shows the reliability analysis, displayed by the Cronbach Alpha coefficient (CAC). Associated with it, all the accurate indicators reflecting OBD, TRUST, LS, and ATT has the CAC exceeding 0.7; therefore, the answer of respondents is consistent.

Table 3. The analysis result of the confirmatory factor and Cronbach Alpha

Indicator	Loading factor			
	OBD	TRUST	LS	ATT
OBD1	0.873			
OBD2	0.844			
OBD3	0.780			
T1		0.653		
T2		0.871		
T3		0.903		
T4		0.868		
LS1			0.811	
LS2			0.818	
LS3			0.813	
LS4			0.739	
LS5			0.506	
ATT1				0.758
ATT2				0.814
ATT3				0.914
ATT4				0.750
Cronbach Alpha	0.779	0.844	0.793	0.825

Source: Modified Output of Warp PLS 7

4.2. The estimation result of the research model

Table 4 present the result of the estimated structural equation model based on variance, consisting of each path coefficient of T, LS, ATT, its standard error, t-statistic, and probability. This probability value is useful to test the null statistical hypothesis.

From Table 4, the effect of trust on online buying decisions is not significant, displayed by the probability value of t-statistic of path coefficient T of 0.316, where this value is higher than a 5% significance level. In other words, trust

does not affect this decision. On the contrary, the effect of lifestyle (LS) and attitude (ATT) on online buying decisions (OBD) is positive, presented by the probability value of the t-statistic of path coefficient LS and ATT of <0.001 and 0.006, respectively, where these values are lower than 5% significance level.

Table 4. The estimation result of the structural equation model based on variance

The study hypothesis position	Cause-and-effect relationship	Path coefficient		The standard error of the path coefficient	t-statistic	Probability value
		Symbol	value			
H ₁	T --> OBD	γ_1	-0.048	0.136	-0.353	0.316
H ₂	LS --> OBD	γ_2	0.457	0.117	3.906	<0.001
H ₃	ATT --> OBD	γ_3	0.317	0.123	2.577	0.006

Source: Modified Output of Warp PLS 7.

4.3. Discussions

From the statistical test results presented in the previous section, this study demonstrates that trust does not influence the online buying decision. It happens because the students doubt the security system, the personal data protection, the utilization of the data, transparency to assure them. Hence, this fact supports the study conducted by Wardoyo & Andini (2017) and Gunawan et al. (2019), where their result shows an insignificant effect of trust on this decision.

Also, this study proves that lifestyle and attitude become the impacting factors of the decision to buy online.

- A positive association between lifestyle and this decision occurs because the students already adopt technology in their daily activities and like to buy online because it is simple, saves their time to locate goods, facilitates them to meet people in the same community. This positive relationship verifies the study done by Lin & Shih (2012), Rahayu et al. (2015), Al-Dmour et al. (2017), and Wardoyo & Andini (2017) proving this effect.
- A positive relationship between attitude and this decision takes place because they get the same product, do not need to waste their time, believe the actual business transaction. This positive relationship verifies the study done by Lin & Shih (2012), Rahayu et al. (2015), Al-Dmour et al. (2017), and Wardoyo & Andini (2017) proving this impact.

5. Conclusions

This study has the destiny to examine and analyze the effect of trust, lifestyle, and attitude on the decision of the undergraduate management students in Universitas Kristen Krida Wacana, Jakarta, to purchase online during the COVID 19 pandemic. Based on the data analysis and the discussion of results; therefore, this study concludes that trust is not the contributing factor of this decision; however, lifestyle and attitude become the determinant with a positive sign.

This study has some limitations, like the utilization of students in one department in the university and the number of the applied explanation variables. These examples bring other occasions for the next scholars to make some improvements:

- The next scholars should employ the students from all the departments from a university as the samples by the stratified random sampling method, where the departments perform as the strata.
- The next scholars should add the other variables as the determinant of the decision to buy online in their research model, for example, risk, culture, motivation, knowledge, and commitment.

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