

FACTORS DETERMINING CONSUMERS INTENTION TO SHOP ONLINE IN GREATER JAKARTA

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Abstract

Online shopping is increasingly becoming a favorite activity for city dwellers who are smartphones users as a means to fulfil their necessities. Increasingly, people obtain their needs through online shopping and retailers are working hard to increase their sales by winning consumers to shop at their online stores. In this paper, we investigate factors determining consumer's intention in online shopping in Greater Jakarta area. These factors include trust, perceived risk, reference group, behavioral control awareness, business competency, usefulness and convenience, brand image, and promotion. 272 respondents participated in this survey and their responses were documented using Likert scales. After data collection, a Factor Analysis used to identify correlations between variables and Regression Analysis techniques were used to identify significant factors. Our research findings reveal that out of eight factors, four factors determine consumers' intention to shop online. These factors, starting from the most significant, are promotion, brand image, usefulness and convenience, and business competency.

Keywords: *Consumer Intention, Online Shopping, Factor Determining, Jakarta, Indonesia*

Abstrak

Belanja online menjadi aktivitas favorit dari masyarakat perkotaan pengguna smartphone, sebagai cara untuk memenuhi kebutuhan mereka. Semakin sering, orang memenuhi kebutuhan mereka melalui belanja online dan retailer bekerja keras untuk meningkatkan penjualan mereka dengan memenangkan hati konsumen untuk belanja di took online mereka. Dalam paper ini, kami mencari tahu faktor faktor yang mempengaruhi niat konsumen dalam belanja online di area Jabotabek. Faktor faktor ini meliputi Kepercayaan, Resiko yang di persepsikan, Group referensi, Kesadaran diri, Kompetensi bisnis, Kegunaan dan kenyamanan, Imej merk, dan Promosi. 272 responden berpartisipasi dalam survei ini dan respons mereka di dokumentasikan dengan menggunakan skala Likert. Setelah data di kumpulkan, Factor Analysis digunakan untuk mengidentifikasi adanya korelasi antar variable dan Teknik Analisa Regresi digunakan untuk mengidentifikasi faktor yang signifikan. Niat konsumen untuk belanja online. Riset kami memunculkan beberapa temuan, bahwa dari 8 faktor yang ada, hanya 4 faktor yang menentukan niat konsumen belanja online. Faktor ini adalah Promosi, Imej merk, Kegunaan dan kenyamanan, dan kompetensi bisnis.

Kata kunci: *Niat Konsumen, Belanja Online, Penentuan Faktor, Jakarta, Indonesia*

INTRODUCTION

In today's economy, number of people who are shopping online are growing exponentially (Wu *et al.*, 2011). The rate of consumers shopping online has been rising and the online retailers revenues continued to grow at rapid rate (Ozen & Engizek, 2014). According to a published report by Google in collaboration with Temasek, Bain and Company in October 2019, it was estimated that in 2025, total internet economy in Southeast Asia will reach USD 300 billion, Indonesia and its 265 million will be the biggest market growth in the region. (Aravindan, 2019).

The report also shows that in 2019, Indonesia's internet economy has reached USD 40 billion, with an average growth of 49% annually. Indonesians' main online purchases include fashion as well as gadget and accessories, each accounting for 48.2% and 34.7% respectively, followed by purchase of furniture, food and personal care as well as travel and accommodations (Snapcart Global, 2018).

Some of the advantages of online shopping include availability of 24-hours a day of shopping regardless of the location, be it from home, work, or while on the road. Online shopping offers convenience, accessibility, and the speedy delivery that traditional retail stores are lacking (Kim Y.K, 2002). With continuous improvement in internet connectivity and supporting infrastructure such as logistics and payments, affordable internet connectivity through mobile phones, and improved

consumer trust, the growth of online shoppers in Greater Jakarta will continue to increase year on year (Lubis, 2014).

A further study by Morgan Stanley in 2019 has shown there are 195 million smartphone users in Indonesia with only 30 million of them have shopped online, indicating huge potential growth. With online purchase growing in volume and sales figure and the significant impact of digital transformation has on the retail industry, this paper will further address, explore and analyze variables which determining customers' online purchase intention in Greater Jakarta area. There is a significant change in behavioral patterns of the population who shift to purchase goods and services through digital marketplace (Syaglova and Mojsovska, 2019). This would mean marketplace and online shops need to be aware of the essential factors and determinants of customer intention to purchase (Gupta et al., 2010).

There is a significant population who had shifted from physical stores to online stores, especially during pandemic period. To gain revenue and increase larger market share, online stores had to understand consumer preferences (Pantelimon, et al., 2020).

Previous research by (Le-Hoang, 2020) shows six factors contribute to intention on online purchase. However, this research did not recognize important variables such as promotion and brand image indicated by (Kongrapunt & Papat, 2018). Therefore, we would like to present a more complete list of factors influence intention to purchase online.

We would like to understand critical factors that determine consumer behavior in online purchase in Greater Jakarta area, and decided to conduct specific analysis. This paper starts with literature review, methodology followed by result of our findings and implications.

THEORITICAL REVIEW

(1) Trust

The intention of online shopping is the likelihood, the degree of willingness and inclination of consumers to make purchase on product or service using the internet (Azjen, 1980)

Consumer purchasing behavior is referred to an actions taken by consumers prior to purchase product or services. Consumer purchasing behavior includes gathering the necessary information, assessing different options, searching for goods and services, decision making, and evaluating the usefulness of products (Kotler, 2003). Moreover, there are many trains of thoughts and considerations before consumers decides to purchase online (Pressey *et al.*, 2009)

One of the factors that consumers consider before they decide to purchase products or services is Trust (Pavlou, 2003). In online shopping, it is consumer's decision to trust the sellers for the delivery of goods and service. Consumers do not have a control over sellers and they are in more vulnerable position than sellers (Jarvenpaa, S. L., Tractinsky, 1999). Consumers who have

positive experience purchasing online or have received positive recommendations regarding online purchase, will have higher likelihood to shop online. (Kim *et al.*, 2011; Bock *et al.*, 2012)

In a traditional brick and mortal retail stores, buyers can see physical goods and services being offered. Unlike traditional retail sale and purchase, online sellers and buyers will not be able to meet one another. (Jiang *et al.*, 2008). Cognitive and affective trust is part of multi facet Trust (Johnson and Grayson, 2015). Trust in online shopping means buyers need to have good faith that the online shop is trustworthy enough to deliver goods in exchange of payment.

Distrust or lack of trust is important factors in shopping online due to lack of security and peace of mind (Papadopoulou *et al.*, 2001). In online purchase, due to lack of interaction, consumers are more cautious with the products they want to purchase and there is a need to establish continuous trust between buyer and sellers (Anderson and Weitz, 1989). Consumers trust toward online sellers is considered decisive factor in determining consumer's decision to shop online (Pan and Chiou, 2011). Patton and Josang (2004) also add that building trust in consumers takes time and once trust is obtained, retailers have to work hard to maintain it.

Since trust plays a fundamental role in consumers' decision to shop online, the following hypothesis is identify:

Hypothesis 1: *Trust has a positive effect on consumers' online shopping intention.*

(2) Perceived Risk

In online shopping context, perceived risk can be summarized as the potential or possibility for loss or disadvantages consumer may experience due to online shopping. This includes uncertainty, insecurity with possibility of serious consequence (Ko *et al.*, 2004). Schiffman and Kanuk (2000) regards risk as a condition where decision makers or in this context, online shops consumer have awareness and knowledge about the possibility of losses and disadvantages.

Risk of shopping online is higher than the traditional face to face purchasing (Forsythe and Shi, 2003). Some of the contributing factors include consumer inability to value the product quality, limited contact with salesperson, stress and unfamiliarity for people who are uncomfortable using internet, limited knowledge, interaction and security with regards to payment reduces the willingness of consumers to purchase online (Salo & Karjaluoto, 2007).

Online shopping has several risks and it can be classified to three areas namely product, information and financial risk. (Bhatnagar *et al.*, 2000) and the risk from financial aspect is the uncertainty whether the product will be delivered and/or possibility of quality difference in the product received. Product risk may arise as the quality of the product may not be the same as displayed on the internet and there are also risks of fraudulent product and void warranty (Pavlou, 2003). Meanwhile information risk includes identity theft and misuse of personal and credit

card information. (Pavlou & Chai, 2002) and (Gupta *et al.*, 2010) adds that there is reluctance from consumers to disclose their personal information in online settings.

Perceived risk is negatively associated with intentions of online purchase (Zhang *et al.*, 2012). The following hypothesis can be proposed:

Hypothesis 2 - *Perceived risk has a negative effect on the intention to buy online.*

(3) Reference Group

In Theory of Perceived Behavior (Ajzen, 2011), there are 3 areas that can predict behavior, namely perceived behavior control, subjective norms, and attitude towards behavior. Subjective norms can be defined as the perceived social influences from society to perform or not to perform certain action or behavior, whether these actions or behavior are going to be approved or disapproved (O'Neal, 2007). Ravis (2003) highlights consumer needs for approval and acceptance to perform an action and their motivation to comply with their peers or significant other.

Approval and support from reference group play a significant role in motivating consumers to purchase certain goods and services (Yang *et al.*, 2007). Consumers often seek the opinion of their peers to help them in their decision making whether to purchase or not. (Mullen and Johnson, 1990)

The opinion of the reference group plays a crucial role and has a positive impact on consumers intention to shop online and the following hypothesis is identify.

Hypothesis 3 - *The opinion of the reference group determine consumers' online shopping intent.*

(4) Behavior Control Awareness

To conduct a study of consumer behavior as well as consumer intention, we often refers to Theory of Planned Behavior, individual perception of ease or difficulty in performing a certain behavior, is one of the factor of perceived behavior (Ajzen, 2011).

According to Triandis (1994), perceived behavioral control can be determined by two factors: self confidence in an individual ability and supporting resources for individual to perform a certain action or behavior.

Behavioral control awareness in this context portrays the consumer's perceptions of availability of resources, information and the confidence to shop online (Doan, 2020). Internet access speed, availability of smartphones and supporting payment mechanism play a crucial role in enhancing behavioral control awareness. This infrastructure enable current generation has knowledge to use internet and self confidence to purchase online.

The increase in behavioral control awareness will increase the intention to shop online, especially during Covid-19 period where physical restrictions are imposed. The following hypothesis is proposed:

Hypothesis 4 - *Behavior control awareness or perceived behavioral control has a positive effect on consumers' intention to buy online.*

5) Usefulness and Convenience

Accessibility of 24/7 online shop offer unparalleled opportunity for consumers to purchase goods or services whenever they are connected to the internet. Products can be delivered right up to the doorstep of their homes. Beauchamp and Ponder (2010) highlighted the stark difference between traditional retails store and online stores are accessibility and convenience that online stores offer.

In online shopping, the shopping experience is enhanced through the use of Internet (Monswé *et al.*, 2004) For consumers living in more secluded part of the country where few department stores are located, they can purchase their products through online. People in rural area can obtain the same goods as the Greater Jakarta residents through online shopping at the same price with added shipment cost. This also applies to this COVID-19 pandemic where online shopping help both people living in small or large cities to shop regardless of their access to logistic services. (Gao *et al.*, 2020). Online retailers can sell their product to anyone living in the country.

Another edge that online shopping has over traditional shopping is its detailed information and speed and purchase could be completed within short period of time (Khalifa & Limayem, 2003).

With its strong association between accessibility and convenience with strong intention for online purchase, this hypothesis proposed:

Hypothesis 5 - *The usefulness and convenience determine the intention of buying online at e-commerce site.*

(6) Business Competency

To make consumers comfortable in shopping online, the application or software should be easy and user-friendly. Good quality website, ease of doing transaction and variety of payment option would be beneficial as they are the infrastructure to facilitate online transactions.

(Pressey *et al.*, 2009) pointed that strategic purchasing is real need; if the strategic purchasing is easily to use, perceived as useful, the buyer will easily make a decision to purchase their needs. Buyers will make decision to purchase or repurchase through online if the process from ordering until delivery is done well and feedback/complaint handling is handled with care (Davis; *et al.*, 1989; Davis; Venkatesh, 1996). Buyers often browse various e-commerce sites before making decisions to purchase (Pavlou; Fygenson, 2006).

They will also compare prices and variety of goods sold on different websites (Bogina *et al.*, 2016). One of the factors that would encourage browsing is good website quality (Tan *et al.*, 2016). The consumers' choice of websites to buy depends on the following: order handling, eye-catching interface, proper delivery fees, and so on (Venkatesh; Agarwal, 2006).

An attractive website, featuring videos, entertain articles and links to social media, plays a crucial role in getting consumer to visit

them. Businesses need to develop their web with user-friendly navigation and fast loading time that can maintain consumers to spend more time on the web, as part of their competency.

Consumers are attracted with ease of getting product information, immediate possession of purchased product, various payment methods and good customer service (Sunil, 2015)

Business competency is strongly associated to intention of online purchase. Therefore, the proposed hypothesis is:

Hypothesis 6 - *Business competency has a positive impact on online buying intentions.*

(7) Promotion

Promotion is the communication tool of a product's value towards consumers aimed for purchase decision (Kotler & Armstrong, 2013). McCarthy (1960) claims it includes any strategies that put the right product to the market segment at the right place and price. It is associated with advertising, sales promotions and personal selling.

Promotions are very effective in drawing consumers from competitive brands (Gupta, 1988). Covid-19 pandemic has increased exposure of online promotion towards target audience as more people spent hours daily on the internet, smartphones (Higuchi *et al.*, 2020) There are many dimensions of promotion that can influence the intentions to buy (Gupta & Cooper, 1992).

Advertisement and promotions displayed directly enhance the branding. Great promotion will add appeal to the products by

adding several special benefits and offers. (Sunil, 2015)

A great example would be Alibaba Single's day, the world largest 24 hour shopping event where revenues generated during the Single's Day Promotion This in turn has increase purchase intention in Chinese consumers, where sales revenue hit 268.4B RMB in 2019, equivalent to 38.3 billion USD (CNBC, Nov 11, 2019), this massive success was due to excellent promotion strategies that stimulate motivation to purchase (Liu *et al.*, 2018).

Diamond (1990) categorizes promotions as "monetary" and "non-monetary". Promotions can come in the form of price reduction, coupons, vouchers, buy one get one gifts, complimentary gifts, and free shipping. With this strong association between promotion and intention to purchase, the following hypothesis is proposed.

Hypothesis 7: *Promotion determine the consumer intention of buying online.*

(8) Brand Image

Kotler & Armstrong (2015) said a brand including term, name or sign indicates the creator of its product. To gain competitive advantage and future earning streams, brand name is the most important asset (Aaker, 1991). Brand image plays significant role in the market, as it is difficult to distinguish products or services with its tangible quality feature (Mudambi *et al.*, 1997).

Consumer stimulated by internal and external factors (includes choosing brand, product, retailer) when making purchase

decision (Kotler, 2000), it often makes purchase base on their individual qualities, personalities and personal characteristics.

Peter and Olson (2010) also affirms that consumers who purchase a certain brand not only because of the brand's advertisements, but also the experience they obtain with the brand. Alba & Hasher (1983) believes that brand experience acts as a memory scheme and influence customers in future purchases. Strong brand names will be the first that come to mind when consumers are uncertain about a product, they will choose product with brands that they are more familiar with. (Dean, 1999). Collins-Dodd and Lindley, 2003 further reaffirms the benefits of strong brand image. A solid brand name and image can be so powerful that it is able to set apart a retailer to stand out in the competition. Therefore, the following hypothesis can be proposed:

Hypothesis 8: *Brand Image determine the intention of buying online.*

The proposed model included eight variables that give strength for customer to purchase online include: trust, perceived risk, reference group, behavioral control awareness, usefulness and convenience, business competency, promotion and brand image.

METHOD

Methodology research use in this paper is quantitative, with the target population of people who had purchased at online Shop in Greater Jakarta area, total 272 participants which consists of 171 males and 101 females. The questionnaire consists of 32 questions.

We conducted survey using google forms and distribute to multi channels including universities, private companies, colleagues, friends, and organization communities. A total of 9 variables were review in this study, which borrowed from (Le-Hoang, 2020) and (Kongprapunt & Papat, 2018) is shown on Picture 1.

SPSS software is used to analyzed data and generate demographic characteristic of the respondents. We use exploratory factor analysis to check their discriminant and convergent validities. To do this, we chose multiple regression analysis to find the correlation between the factors and online shopping intention.

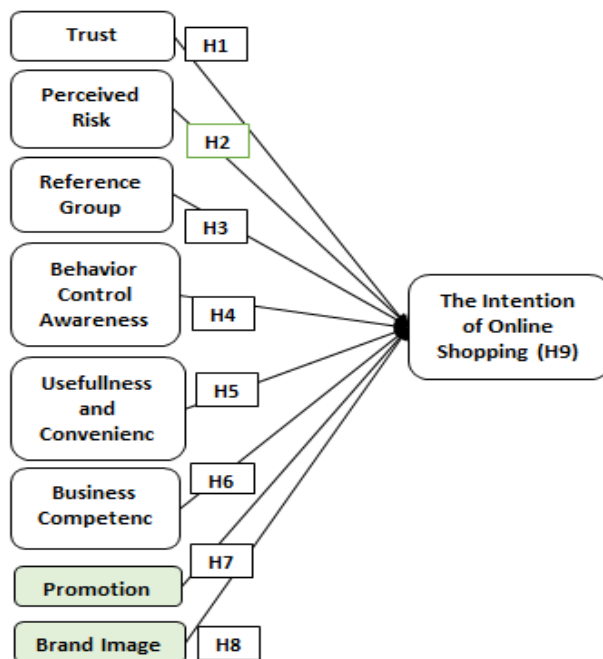


Figure 1. Proposed Research Model
Source: processed data (2020).

RESULT AND DISCUSSION

Data Description

After collecting survey data from 09 to 22 August 2020, authors collected 272 valid respondent with the following participant description.

The number of male respondents in this survey is 171, accounting for 62.9 % of the total respondents. The number of female respondents is 101, accounting for 37.1% of the total respondents.

Table 1. Respondent Description

Questioners	Total	Result	%
Gender	Male	171	0.63
	Female	101	0.37
Time to use Internet	Less than 1 year	0	-
	From 1 to 3 years	3	0.01
	From 3 to 5 Years	11	0.04
	Over 5 years	258	0.95
Duration using internet a day	Less than 1 hour	2	0.01
	From 1 to 3 hours	29	0.11
	From 3 to 5 hours	52	0.19
	From 5 to 7 hours	57	0.21
	Over 7 hours	132	0.49
Number of Visit Online Shop in a month	Less than 5 times	55	0.20
	From 5 to 10 times	93	0.34
	From 10 to 20 times	62	0.23
	Above 20 times	62	0.23
Which online shop often to visit	Tokopedia.com	122	0.45
	Shopee.com	112	0.41
	Lazada.com	16	0.06
	Bukalapak.com	11	0.04
	Blibli.com	7	0.03
	JD.ID.com	4	0.02

Source: processed data (2020)

Validity & Reliability test:

Principal Component Analysis and Varimax rotation is used to group components, for Exploratory Factory Analysis According to

Malhotra (2010), condition for accepting variables of “Corrected Item-Total Correlation” is greater than 0.3 with Cronbach’s Alpha is greater than 0.6.

Independent & Dependent Variables

Table 2. Questionnaire List (Construct, Factory Analysis, Corrected Items - total correlation, Cronbach Alpha , KMO and Variance Explained)

Item	Questionnaire	Factor Analysis	Corrected Item-Total Correlation
TR1	Online Shop regularly updates new products	0.807	0.642
TR2	Advertising idea of business is unique and creative	0.756	0.574
TR4	Comply with the delivery process and schedule	0.811	0.647
TR3	There are appropriate solutions when problems happen	0.833	0.676
<i>TRUST - Cronbach's Alpha= 0.805, KMO = 0.653, Variance Explained = 0.721</i>			
PR1	The provision of personal information on the internet is risky	0.819	0.475
PR2	Providing bank accounts for online shopping is risky	0.858	0.547
PR3	You want to pay in cash rather than online cards to ensure information	0.607	0.317
<i>PERCEIVED RISK - Cronbach's Alpha= 0.624, KMO = 0.582, Variance Explained = 0.592</i>			
RG1	Your friends' opinions have a great influence on your purchase intentions	0.696	0.397
RG2	Negative comments and reviews of old customers make you lose confidence when buying goods	0.802	0.488
RG3	You read more comments from other e-commerce sites before making a purchase	0.839	0.563
<i>REFERENCE GROUP - Cronbach's Alpha= 0.629, KMO = 0.660, Variance Explained = 0.611</i>			
CA1	You have enough money to make a purchase	0.804	0.56
CA2	The extent of knowledge that you have in making a purchase decision is sufficient	0.871	0.699
CA3	The extent of self-confidence that you have in making a purchase decision is sufficient	0.792	0.541
<i>Behavior Control Awareness - Cronbach's Alpha= 0.756, KMO = 0.667, Variance Explained = 0.677</i>			
UC1	Online shopping can help you save time	0.805	0.621
UC2	Online shopping can help you save costs	0.666	0.474
UC3	Online shopping makes it easy to find and diversify products and services	0.826	0.631
UC4	You can shop anywhere has an internet connection	0.867	0.696
<i>Usefulness and Convenience - Cronbach's Alpha= 0.783, KMO = 0.759, Variance Explained = 0.631</i>			
BC1	Online Shop regularly updates new products	0.807	0.642
BC2	Advertising idea of business is unique and creative	0.756	0.574
BC3	Comply with the delivery process and schedule	0.811	0.647
BC4	There are appropriate solutions when problems happen	0.833	0.676
<i>Business Competency - Cronbach's Alpha= 0.811, KMO = 0.772, Variance Explained = 0.644</i>			
BII	You always feel excited when shopping online	0.847	0.626
BI2	You quickly recognize the need when you encounter ads of online shop	0.891	0.708
BI2	You spend your free time surfing and searching for products on the online shop	0.79	0.565
<i>Brand Image - Cronbach's Alpha= 0.782, KMO = 0.673, Variance Explained = 0.712</i>			
PO1	I like to receive Online shop promotions through advertisement	0.608	0.437
PO2	I like to receive promotion discount for purchasing from Online Shop	0.872	0.712
PO3	I like to receive privilege for special items from online shop promotions	0.906	0.79
PO4	I like to receive privilege for outdoor or travel from online shop promotion	0.885	0.727
<i>Promotion - Cronbach's Alpha= 0.825, KMO = 0.776, Variance Explained = 0.684</i>			
PI1	I like to receive Online shop promotions through advertisement	0.608	0.437
PI2	I like to receive promotion discount for purchasing from Online Shop	0.872	0.712
PI3	I like to receive privilege for special items from online shop promotions	0.906	0.79
PI4	I like to receive privilege for outdoor or travel from online shop promotion	0.885	0.727
<i>Online Purchase Intention - Cronbach's Alpha= 0.859, KMO = 0.767, Variance Explained = 0.722</i>			

Source: processed data (2020).

Referring on Cronbach’s Alpha coefficient of the scale Trust, Perceived Risk, Reference

Group, Behavior Control Awareness, Usefulness & convenient, Business Competency, Brand

Image, Promotion and Online Purchase Intention, based on the statistical result shown above limitation, and the values of “Corrected Item-Total Correlation” were all valid, proved by coefficient values greater than 0.30.

The reliability test result for all variables had been qualified for reliability as the Cronbach’s alpha value greater than 0.6, therefore the research variables met the criteria. The results show that KMO of each variable are

above 0.5 can make sure the requirement $0.5 < KMO < 1$. Bartlett test of sphericity (sig) with $p\text{-value} = 0.00 < 0.05$, Total variance explained shown in table below is greater than 50%; and it meet requirement of variance explained.

Regression Result

Table 3. Regression Result

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Variance Inflation Factor (VIF)
	B	Std. Error	β	t		
(Constant)	0.508	0.363		1.399	0.163	
Promotion	0.269	0.051	0.314	5.297	0.000	2.418
Brand Image	0.196	0.4	0.246	4.956	0.000	1.699
Usefulness & Convenience	0.206	0.071	0.173	2.908	0.004	2.424
Business Competency	0.13	0.065	0.125	1.998	0.047	2.679
Trust	0.89	0.57	0.83	1.563	0.119	1.953
Perceived Risk	-0	0.42	-0.004	-0.085	0.932	1.163
Reference Group	0.021	0.057	0.017	0.362	0.717	1.544
Control Awareness	0.023	0.061	0.02	0.379	0.705	1.951

R²: 0.618
Adjusted R²: 0.606
F: 53.14
p-value (sig): 0.000

Source: processed data (2020)

Hypothesis Testing and Results

Table 4. Hypothesis Testing

Rank from Strongest to Weakest	Independent and Dependent Variable	Coefficient β	Level of Significant	Implications
1st Rank	Promotion	0.314	0.000	Promotion support online Purchase Intention
2nd Rank	Brand Image	0.246	0.000	Brand Image support online Purchase Intention
3rd Rank	Usefulness and Convenience	0.173	0.004	Usefulness and Convenience support online Purchase Intention
4th Rank	Business Competency	0.125	0.047	Business Competency support online Purchase Intention

Source: processed data (2020)

The result show that the overall of the model is accepted because F is 53.135, and p-value of F is $0.000 < 0.05$. Moreover, $R^2 = 0.618$ means that of all the independent variables can explain 61.8% for online purchase intention. The variance inflation factor that there is no multicollinearity in this model because the Variance Inflation Factor (VIF) value between 1-10.

The following four variables Trust, Perceived Risk, Reference Group, and Behavior Control Awareness have $p\text{-value} > 0.01$, so these variables does not show a

statistically significant relationship with dependent variable and does not have an effect on online purchase intention.

Another four variables include Promotion, Brand Image, Usefulness & Convenience, Business Competency, are statistical significant with more than 99% confidence level because of the p-value <0.01. so the variables have a positive effect on online purchase intention.

Our research finding shows purchase intention to shop online are determined by Promotion and Brand Image of the online shop. Online retailer are able to use this research finding for improve and sustain their business. Promotion by online shop can directly enhance brand image, this shows positive correlation between two variable.

Online shop's Business Competency on enhancing its web navigation design, improving payment gateway infrastructure, is useful and provide convenience to consumers.

Trust is not considered significant factor because online shops that is visited by respondents are already established online marketplace like Tokopedia and Shopee. The same thing also valids for Perceived Risk, as the online market place is already a dominant player in online shop in Indonesia.

As Greater Jakarta residents have high proportion of population who are smartphone users and highly educated, they have confidence to shop online and therefore do not seek advice from their reference group. Hence showing low significance between behavior control awareness or reference group with intention to shop online.

CONCLUSION AND SUGGESTION

In this study, there are 4 factors that has strong determining impact on online purchase intention: Usefulness & Convenience, Business Competency, Brand Image and Promotion. These four factors have the strongest significant relationship with purchase intention. Greater Jakarta consumers were satisfied with the usefulness and convenience benefits of online shopping. The speed of delivery and convenience of shopping without being limited by location and time are crucial factors that encourage intention to purchase online.

Another factor brand image is important to draw consumers to purchase online. The advertisements are often used to enhance brand image. Online shop has to ensure that consumer engagement through brand experience is maintained well from time to time.

Other factors: promotion, also plays a strategic role in consumer's online purchase intention. As mentioned earlier, promotion of online shopping includes activities that communicate the benefits of shopping online and persuade target consumers to purchase online.

Implication

This study has implication for online-retailers, online vendors and online shoppers in greater Jakarta. While other factors are considered in determining Greater Jakarta residents' online purchase intentions (factors such as: trust, perceived risk, reference group, behavior control awareness), Greater Jakarta's

online shoppers still regard factors such as: usefulness and convenience, business competency, brand image and promotion as the most important before they decide to purchase online.

Online shop can continue to improve efficiencies starting from accessing the shops online, easy and reliable payment and smooth delivery/shipping option, also excellent customer services.

Online shopping requires a continuously improved internet connectivity and infrastructure in Indonesia provided by telecommunication company. Online shops also require support from courier and logistics company to sustain their competitive advantage.

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