PERCEIVED RISK AND INTENTION TO PURCHASE FROM OVERSEAS SELLERS IN SHOPEE: JABODETABEK CONSUMER PERSPECTIVE

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A R T I C L E   I N F O

Abstract. This study aims to examine the effect of financial risk on purchase intention; effect of product risk on purchase intention; effect of security risk on purchase intention; effect of time risk on purchase intention; effect of delivery risk on purchase intention; and effect of psychology risk on purchase intention. The target population Shopee users who have shown intention to conduct online shopping from foreign sellers. The sampling technique used was purposive sampling. The data was collected through questionnaire and analyzed using Partial Least Squares - Structural Equation (PLS-SEM) approach using SmartPLS program. The results showed that financial risk, product risk, delivery risk and psychological risk have significant impact toward purchase intention. The results also showed that security risk and time risk have no significant impact toward purchase intention.

Abstrak. Penelitian ini bertujuan untuk menguji pengaruh risiko keuangan terhadap niat beli; pengaruh risiko produk terhadap niat beli; efek risiko keamanan terhadap niat beli; pengaruh risiko waktu terhadap niat beli; pengaruh risiko pengiriman terhadap niat beli; dan pengaruh risiko psikologi terhadap niat beli. Populasi target pengguna pembelanjaan yang telah menunjukkan niat untuk melakukan belanja online dari penjual asing. Teknik pengambilan sampel yang digunakan adalah purposive sampling. Data dikumpulkan melalui kuesioner dan dianalisis menggunakan pendekatan Partial Least Squares - Structural Equat (PLS-SEM) menggunakan program SmartPLS. Hasil penelitian menunjukkan bahwa risiko keuangan, risiko produk, risiko pengiriman dan risiko psikologis berpengaruh signifikan terhadap niat beli. Hasil penelitian juga menunjukkan bahwa risiko keamanan dan risiko waktu tidak memiliki dampak signifikan terhadap niat beli.

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Introduction

Online shopping is a viable preference to Indonesian consumers as the internet has become an essential tool for communication and information searching. Statista (2020) reported that Indonesian eCommerce users reached 138.1 million people in 2020, while in 2019, it was 118.8 million users. The penetration rate of eCommerce is also steadily increasing from 2018-2020 – 34.9%, 43.9% and 50.5% respectively. This shows that Indonesian eCommerce market is a progressing and a lively market for eCommerce.

In this study, the focus will be on a particular online marketplace site. As there is a broad categorization in eCommerce, this study focuses in Shopee platform, which falls into the category of B2C (Business to Consumer). B2C marketplace is a platform that enables any business or organization to sell products or services over the internet to the consumers for the consumers' own use (Nemat, 2011).

Shopee is a Singaporean eCommerce company that expanded its reach to ASEAN countries, including Indonesia. As a multinational company that operates internationally, Shopee employs multi-domestic strategy that appear in their tailored and domesticized operation in each country they serve. As a multi-domestic strategy adopter, their competition is predominantly on a domestic level while adapting products and policies to various local markets (Tulung, 2017). Statista (2020) described that the number one B2C marketplace site is Shopee, since 71.53% Indonesian eCommerce users have used Shopee. Locally speaking, in terms of competition in Indonesian eCommerce, Shopee is the number one eCommerce site in Indonesia, followed by Tokopedia and Bukalapak.

With the availability of access to internet-connected computers, as well as mobile phones and tablet computers, be it at home, office or through facilities such as public libraries, restaurants and cybercafés, nowadays, this trend of shopping has become a common mode of transaction. The widening range of products that is sold through online marketplaces such as Shopee, enables consumers to fill the wide range of their wants. It has become a part of daily life for Indonesian online consumers, where products purchased from a B2C marketplaces range from fashion products, books, IT products and smartphones, tickets, and travel. The most in-demand product is fashion-related products (Katadata, 2018).

Disregarding the earth-shattering development of online shopping and online transaction, this astounding advancement has prompted some new issues and difficulties that the web shoppers' anxiety involves security of installment, information insurance, the legitimacy and enforceability of e-contract, inadequate data revelation, and product quality (Paynter and Lim, 2001). These issues highlight that when consumers shop online, they tend to perceive higher risks, the risk that they will not find in traditional form of shopping. In online shopping mechanism, a consumer may face numerous problems, for example, in placing an order where the wrong product is delivered or no delivery at all in spite of the fact that payment was made to the supplier through the consumer's credit or debit card (Ariffin et al, 2018).

Online shopping is known as a risky activity in the e-market place (Almousa, 2011). The probability of an online shopper suffering monetary loss due to unsatisfying product and not being worth the price paid is higher (Featherman and Pavlou, 2003). The product might also not meet the performance of what was displayed originally in the website, for example, its color, shape and outlook (Dai et al., 2014). Online shoppers might feel a certain degree of risk with security tools and time delivery because their expectations of losses on product information quality over the website, transaction over the internet and delivery are higher (Karnik, 2014; Forsythe et al., 2006; Dai et al., 2014).

Through Shopee, Indonesian consumers may conduct online buying both from domestic sellers and foreign sellers, based on type of product that they need or want. Those foreign sellers came from various countries such as China, South Korea, India, and several other countries.

In this case of shopping from foreign sellers, the potential risk will be even greater. For instance, in regard to the delivery risk, product risk, financial risk and time risk, Huang & Chang (2017) stated that communication costs, waiting costs, and return costs are the inhibitors blocking consumers from shopping on foreign online sellers. Communication costs are related to how consumer communicate in order to find product information, if finding information and complaining is hard, time risk will be perceived as higher. Waiting costs are related to time risk, since this implies the duration of the purchased product to be delivered, and this could prevent people to purchase online. Return costs are related to time risk where returning the defect product will be time consuming, and at the same time, money consuming. This is different with shopping from domestic sellers, where location is more accessible, no cross-border problem and language barrier could be eliminated. Berthiaume (2015) also supports this problem that the risk perceived, or barrier encountered by global online shopper is hidden additional cost (48%), product returns (33%), and the duration of delivery (39%).

Number of studies has concluded that a negative relationship occurred between perceived risk and purchase intention. This is related to the theory of planned behavior, according to Jarvenpaa et al. (2000). This theory stated a prediction that an online consumer are more willing to buy from a seller that regarded as low risk, even though the online consumer's attitude toward the seller is not positive. This prediction implies the importance of the role of risk perception, in determining the intention of the buyer. Furthermore, Ariff et al. (2014) confirmed the similar importance of risk's role in this relationship, that consumers' perceived risks toward online shopping has become a crucial issue to research because it will directly influence consumer attitudes toward online purchases, and their attitudes will have a significant impact on online shopping behaviors.

Hong & Cha (2013) stated that The negative relationship between perceived risk and online purchase intention is likely to hold true for the individual dimensions of perceived risk (financial risk, product risk, security risk, time risk, delivery risk, and psychological risk) although the impact of each dimension of risk may vary. Han & Kim (2017) stated that when the perceived risks outweigh the perceived benefits, that will negatively influence the online consumer's trust and purchase behavior.

Based on explanations above, it is necessary to identify which of the perceived risk dimensions will bring the greatest impact to the Shopee and their overseas sellers, and it is hoped that the findings can contribute to Shopee and their overseas sellers by helping them to formulate strategies to reduce risks in online shopping environments for better international e-commerce environments.

Hypothesis Development

Relationship between Financial Risk and Purchase Intention
Financial risk is regarded as one of strong predictors of online shoppers' intention to purchase, since it is related directly to the loss of money if things encounter unexpected situations. Featherman & Pavlou (2003) stated that financial risk is a potential money loss when price the customer paid is not worth the product, meaning it could be due to activities related to fraud. It is also stated that financial risk also related with the burden of potential maintenance cost risk of the purchased product. Furthermore, Popli & Mishra (2015) also added that the financial risk not only covers the monetary risk caused of the initial purchase of the product, but also potential cost of repairing the product and the hidden cost of maintenance that could be charged to the consumer. Pi & Sangruang (2011) defined that financial risk as the excess of realized cost of buying products online compared to what has been planned.

Hong & Cha (2013) explained that many online consumers still perceive a relatively high financial risk. This generated hesitancy of the consumers in purchasing online products since it will create financial loss. Tham et. al (2019) stated that financial risk plays an important role in determining the decision of

consumer whether or not to proceed from buying intention to buying decision. This could be concluded as the higher the monetary risk is, then the lower the purchase intention will be. Based on the explanation above, the hypothesis is as follows:

H₁: Financial Risk has a negative impact on Purchase Intention.

Relationship between Product Risk and Purchase Intention

Pi & Sangruang (2011) interchanged the term "Product Risk" with "Performance Risk" and Quality Risk". But in definition, it pointed to the potential risk that a product will not perform as expected by the consumer. In other words, the expected performance of the product was not meet. Tham et. al. (2019) confirms this by stating that product risk is a gap between the actual risk and the predicted risk, since consumer also recognized that there will be a risk that is caused by the nature of online shopping, where consumers cannot examine the product directly (Saprikis et. al, 2010).

Dai et. al. (2014) highlighted that product risk is one of the most common factors on determining the decision whether or not to purchase online. The nature of online shopping, where the shoppers cannot test the product directly and only relies to information provided, creates negative toward purchase intention (Bhatnagar, 2000). This caused by the inability to examine the product directly that further caused uncertainty whether to purchase or not. Based on explanations above, the hypothesis developed is as follows:

H₂: Product Risk has a negative impact on Purchase Intention.

Relationship between Security Risk and Purchase Intention

One dimension of risk that is commonly become a key determinant of purchase intention is security risk. Arshad et. al (2015) stated that security risk is a potential event that consumer's personal information could be misused by the company. This could burden the desire of consumer to purchase from that company. Youn (2009) mentioned that information security and privacy are related to the uncertainty associated with how personal information is handled by online establishments and who has access to it. In this case, the online establishment is the company that handles and accesses the information, which is the online marketplace company.

Hong & Cha (2013) explained that many studies has concluded that security-related issues has become a concern when purchasing online. Furthermore, this study stated that their credit card information could be captured, collected, and misused by online scammers, online fraudsters, and even online marketers. Masoud (2013) stated that even though consumers could comprehend the information about the benefits and value of the product, capture the product and all the platform features that could make online shopping more convenient, but there is an absence of security mechanism, purchase intention will be negatively affected. This has been a great concern burdening the intention to shop online. Based on the discussion above, the hypothesis developed is as follows:

H₃: Security Risk has a negative impact on Purchase Intention

Relationship between Time Risk and Purchase Intention

Pi & Sangruang (2011) stated that time risk as the time spent on the purchase of a product and the time wasted in the case of a poor product or service choice. The study highlighted two dimensions of time spent – the duration purchasing process and the duration spent to repair or return the product, in case of trouble after purchase.

First, the purchasing process includes the time required to find a suitable seller, suitable products, and processing the purchase. This is confirmed by Forsythe et al., (2006), that time risk contains the problematic experience through online transaction that are frequently brought about by the problems of the time and delays in product shipment. It means that time risk covers the waiting time for the product to arrive at consumer's front door.

Second, time risk also includes when products did not meet consumers' expectation levels and consumers have to return the product for a new replacement (Ariff et al., 2014). Time, accessibility, or effort might be fruitless when a purchased product has to be repaired or replaced.

The case of time-wasting activity in online shopping is when the consumer tried to find information related to suitable seller or product. In marketplace platform such as Shopee, Lazada, Tokopedia, and Bukalapak, the process of finding product and seller is done through seeing and the information that is stored in the platform by the sellers. The information usually covers a display picture of the product, description and specifications, reviews, and discussions. Furthermore, when there are no photos of the actual product on the website, consumers may have to opt for the products' images by searching them in a separate website, and the time spent for the images to load will be considered as time risk (Forsythe et al., 2006).

Some of the time, buyers may very well leave the site without purchasing anything since they cannot look through their ideal items on the site or have issues in exploring to the correct products or sellers in the website or application. Ariffin et. al. (2018) explains that the time that customers spent to search for the information of unfamiliar products and more time waiting for downloading high-pixel images can decrease their intention to shop online. Based on the discussion, H4 is developed:

H4: Time Risk has a negative impact on Purchase Intention

Relationship between Delivery Risk and Purchase Intention
When purchasing online, a consumer needs to wait for an order to arrive in their home. The product purchased needs to be go through delivery process by a shipping or logistics company, for example. Dan et. al. (2007) described delivery risk as potential loss related to loss of purchased products, quality loss caused by damaged goods during delivery process, and destination problems caused by deliverance to the wrong address after shopping. Most of the time, delivery process is handled by a third-party company. Hong & Cha (2013) adds, that the shipment containing the ordered product could be lost or delivered to a wrong address if there is a lack of business experience on the part of the delivery company. Popli & Mishra (2015) explained that delivery risk involves the fear of online shoppers, that delay will occur in delivery, damage will occur during the transit, and the risk that improper packaging and mismanagement will happened.

In this research, where online consumers in Indonesia intended to buy products from overseas sellers, this risk is will be perceived even more, since the distance of delivery, delivery time required, and numbers of transit points will be greater.   Based on discussion above, we propose the following hypothesis:

H5: Delivery Risk has a negative impact on Purchase Intention

Relationship between Psychological Risk and Purchase Intention
Ariffin et al. (2018) stated that psychological risk is related to regrets and frustration may result in consumers experiencing mental pressure in the future due to their purchased decisions that did not meet their expectations. Pi & Sangruang (2011) also stated that psychological risk refers to risk of consumers' decision to purchase a product via online to harm their peace of mind. Consumers fear that they may suffer

from mind discomfort if they decided to purchase online, since they think that they are potentially making the wrong product choice, especially if they are not experienced in online shopping (Hong & Cha, 2013).

The uncertainty or stress may be the reason for psychological risk occurring and affecting their purchase decision. Consumers fears when they obtained the purchased products and the expectations were not lived to, they will experience stress.

Hong & Cha (2013) concluded the relationship between psychological risk and intention to purchase online as negative. They stated that as consumers perceive more psychological risk, they will be more greatly burdened with mental discomfort, anxieties, and results in lower willingness to buy from that online shop. Bhukya and Singh (2015) suggested that to improve a customer purchase intention, the risk related to mental discomfort needs to be seriously minimized.

In addition, social or psychological risks are negatively related to consumers 'purchase intentions toward Taobao, a Chinese online marketplace, as supported by Han and Kim (2017). Based on discussions above, H6 is developed:

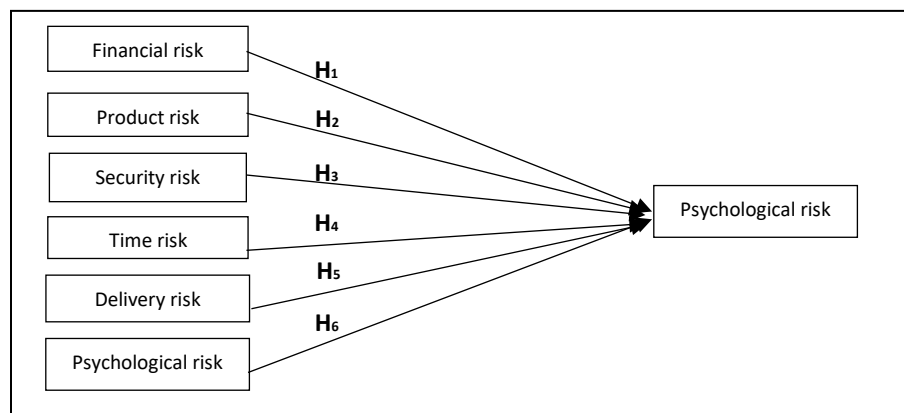**H6: Psychological Risk has a negative impact on Purchase Intention**

Figure 1. Conceptual Model

Research Methods

The research method used was a quantitative approach. The data was analyzed using path analysis method. The study was conducted on Shopee users who have shown intention to purchase from overseas sellers on Shopee marketplace platform. The sampling method of this research is purposive sampling and the total respondent is 88. The justification of sampling size is based on the paper by Cohen (1992) that explains the sample size recommendation in PLS-SEM, which is minimum of 48 respondents for an expected outcome of current study.

The data was collected using a questionnaire developed based on indicators of each research variable, and measured by a 4-point Likert scale (1 = strongly disagree, 2 = disagree, 3 = agree, and 4 = strongly agree for the positive statements, and vice versa for the negative statements).

The data was analyzed using Partial Least Square-Structural Equation Modeling (PLS-SEM) method of SmartPLS software. There were two important stages taken, including analyzing the measurement model

(outer model) and structural model (inner model). The measurement model stage was evaluated through convergent validity, composite reliability, average variance extracted (AVE), and shipment validity, while the structural model was evaluated through R-Square value.

Results

Profile of Respondents

72% of total respondents were female, while 28% of them are male. Then, 39% of the respondents were 15-20 years old, 44% of the respondents were 21-25 years old, 9% of the respondents were 26-30 years old, 6% of the respondents were 31-40 years old, and only 2% were above 40 years old. Based on occupation, 60% of the respondents were university students, 27% of them were company employee, 2% of them were civil officer, 2% of them were entrepreneurs, and 9% were mix of various occupations.

Measurement Model

Examining the validity and reliability of the model was done in the measurement model stage. The validity was measured through loading factors, average variance extracted (AVE), and discriminant validity. The requirements that must be met were that the loading factor values should be greater than 0.7, and AVE of more than 0.5. The loading factor value should be between 0.5 - 0.6 to be able to be used for analysis and the AVE value should be more than 0.5 (Hair et. al., 2014). Then, the discriminant validity was based on the Fornell-Larcker criterion where the correlation value between variables should be less than the value of the square root of AVE (Hair et al., 2014). Meanwhile, the reliability test was measured using the composite reliability to examine the instrument reliability. The composite reliability value must be more than 0.7 (Hair et al., 2014).

Table 1. Evaluation of Measurement Model

Variable and Item		Outer loading
Financial Risk (AVE=0.850, CR=0.958)		
FR4	I am worried that the product I will buy from the overseas seller will make me spend more money (For example: for repairs, to return)	0.974
FR5	I am worried, if later I shop from an overseas seller, there will be problem with payment so that my money is stuck / lost.	0.934
FR6	I am worried that there will be unexpected costs for shopping from overseas sellers at Shopee.	0.969
FR7	I am worried that after shopping from an overseas seller at Shopee, there were actually similar products that were cheaper at the local store.	0.801
Product Risk (AVE=0.973, CR=0.817)		
PR1	When shopping later, I worry that I will have difficulty communicating with overseas sellers at Shopee.	0.748
PR2	I am worried, the quality of the products sold by overseas sellers at Shopee is not as promised.	0.955
PR3	I am worried, the items I will buy from the overseas seller at Shopee do not match the specifications (specifications) displayed on the site / application.	0.962
PR4	I am worried, the quality of goods sold by Seller overseas in Shopee does not match the existing reviews.	0.904
PR5	I am worried, the quality of the products sold by overseas sellers in Shopee is not as my expectation.	0.958

PR6	I am worried, the original form of the product sold by the overseas seller in Shopee is different from what is displayed on the application / website.	0.951
PR7	I am worried, if the product I bought at the overseas Shopee seller gets damaged, I will have difficulty returning it.	0.809
PR8	I am worried, the quality of the product that I will buy at the overseas seller at Shopee is no better than the product sold by the local seller.	0.918

Security Risk (AVE=0.950, CR=0.672)

SR1	I am worried that my credit / debit card data could be leaked if I transact on Shopee.	0.925
SR2	I am worried that my personal information (full name, telephone number, address, email, other preferences) is not protected at Shopee.	0.888
SR3	I am worried, there will be problem with my transaction process if I shop at Shopee.	0.822
SR4	I am worried, if there is a problem with payment, Shopee is not fully responsible.	0.907
SR5	Overall, I feel Shopee's website or app is not safe for shopping.	0.905

Time Risk (AVE=0.888, CR=0.958)

TR1	I am worried, my time is wasted just to find the right overseas seller in Shopee.	0.926
TR2	I am worried, my time is wasted just to find information about products sold overseas sellers at Shopee.	-0.059
TR3	I am worried that the products I bought from overseas sellers at Shopee will arrive in a long time.	0.923
TR4	I am worried, after I shop from overseas sellers, my time is wasted just to return the problem items.	0.905
TR5	I am worried, if there is a problem in my transaction, handling from Shopee will be long.	0.909

Psychological Risk (AVE=0.957, CR=0.848)

PS1	I was worried about being stressed out from waiting for the item to arrive when I bought it from the overseas seller at Shopee.	0.934
PS3	I worry about being stressed, because the items I bought from the overseas seller at Shopee did not match expectations.	0.935
PS4	I worry about being stressed if my shopping transaction process through Shopee experiences problems.	0.942
PS5	I was worried about being stressed out, because I was confused about finding the right overseas seller in Shopee.	0.871

Delivery Risk (AVE=0.955, CR=0.810)

DR1	I am worried, the process of sending goods that I will buy from the overseas seller at Shopee will be complicated.	0.916
DR2	I am worried that the items I will buy through Seller overseas at Shopee will be damaged in transit.	0.887
DR3	I am worried that the items I will buy through Seller overseas at Shopee will disappear on my way.	0.947
DR4	I am afraid there will be an unexpected problem in the process of shipping goods purchased from overseas sellers at Shopee.	0.960
DR5	I am worried, the product I will buy from the overseas seller at Shopee does not reach me (wrong address).	0.777

Purchase Intention (AVE=0.938, CR=0.752)

PI1	I will shop from the overseas seller at Shopee in the future.	0.844
PI2	I would recommend others to shop from overseas sellers at Shopee.	0.899
PI3	I will look for more information about the products that overseas sellers sell at Shopee.	0.901
PI4	I will look for more information about other overseas sellers at Shopee.	0.875
PI5	I will put products from overseas sellers on my Shopee Wishlist.	0.814

Note: *AVE=average variance of extracted; CR=composite reliability.*

Source: Data processing results

Table 1 shows that each item has a loading factor that is greater than 0.6. Thus, each item can be considered valid. Hair et al. (2014) explained that as long as the AVE value was more than 0.5, then the item loading factor could still be used. Furthermore, in Table 1, there are 6 items that have a loading factor value below 0.7, and 14 other items have values above 0.7. Then, the composite reliability value for each variable is greater than 0.7. The composite reliability of financial risk, product risk, security risk, time risk, psychological risk, delivery risk and purchase intention are 0.958, 0.817, 0.672, 0.958, 0.848, 0.810, and 0.752, respectively.

The next validity test was the discriminant validity test. The criteria used were the Fornel-Larcker criteria. Hair et al. (2014) explained that the square root value of AVE must be greater than the correlation value between variables. The following table 2 shows the results of discriminant validity.

Table 2. Discriminant Validity Test Results

	Financial Risk	Product Risk	Security Risk	Time Risk	Delivery Risk	Psychological Risk	Purchase Intention
Financial Risk	0.922						
Product Risk	0.824	0.904					
Security Risk	0.843	0.807	0.890				
Time Risk	0.803	0.782	0.845	0.820			
Delivery Risk	0.728	0.786	0.762	0.894	0.921		
Psych Risk	0.678	0.693	0.709	0.724	0.705	0.900	
Purchase Intention	-0.780	-0.799	-0.786	-0.810	-0.804	-0.774	0.867

Source: Data processing results

Hypothesis testing

The hypothesis testing did not include the t-test as all members of the population were involved in this study as the respondents. Then, the hypotheses were also directional. Therefore, the hypothesis testing was done by matching the direction of the value of the standardized path coefficient with the hypothesis. If the direction of the standardized path coefficient was negative and the hypothesis was also negative, and also if the p-value is below 0.05, then the hypothesis could be supported empirically and vice versa. Table 4 below shows the results of the hypothesis testing where all of them are supported empirically.

Table 3. Hypothesis Testing Results

Hypothesis	Standardized Path Coefficient	p-value	Conclusion
H1: Financial Risk has a negative impact on Purchase Intention	-0.152	0.049	Supported
H2: Product Risk has a negative impact on Purchase Intention	-0.179	0.049	Supported
H3: Security Risk has a negative impact on Purchase Intention	-0.091	0.229	Not Supported
H5: Time Risk has a negative impact on Purchase Intention	-0.044	0.393	Not Supported
H5: Delivery Risk has a negative impact on Purchase Intention	-0.251	0.040	Supported
H6: Psychological Risk has a negative impact on Purchase Intention	-0.273	0.002	Supported

Source: Data processing results

Discussion

The first hypothesis stating that the financial risk has a negative impact on purchase intention is supported empirically. This is indicated by the path coefficient value is negative at -0.152, and the p-value is 0.049 (lower than 0.05). This finding is supported by the study of Ariffin et. al. (2014) and Masoud (2013). Although the effect the financial risk on purchase intention and was relatively small compared to other risk, the company must still pay attention to financial risk, since it still prevents the customer to purchase from the online sellers. This finding suggests that the fear of hidden maintenance cost and potential unexpected cost still become a problem.

The second hypothesis stating that the product risk has a negative impact on purchase intention is supported empirically. This is indicated by the path coefficient value is negative at -0.179, and the p-value is 0.049 (lower than 0.05). This finding is supported by the study of Ariffin et. al. (2014), Tham et. al. (2019) and Masoud (2013). Although the effect the product risk on purchase intention and was relatively small compared to other risk, the company must still pay attention to product risk, since it still the risk that significantly affected consumer's willingness to purchase from the online sellers. The relationship is also negative, meaning the higher the product risk, the lower the purchase intention will be going.

The third hypothesis stating that the security risk has a negative impact on purchase intention is not supported empirically. Although the result indicated by the path coefficient value is negative at -0.091, the p-value is 0.229 (greater than 0.05). This finding is supported by the study of Tham et. al. (2019), although in that study the security risk was referred as financial risk but nevertheless the operational definition is similar. Based on the statistical result, the relationship between security risk and purchase intention is very weak and not significant for the company to focus on. This also may indicate that the company has successfully provided and communicate an excellent security mechanism for the customers, so that the customers do not feel worried about their personal information when transacting via the platform.

The fourth hypothesis stating that the time risk has a negative impact on purchase intention is not supported. Although the result indicated by the path coefficient value is negative at -0.044, the p-value is 0.393 (greater than 0.05). This finding is supported by the study of Ashoer & Said (2017) and Masoud (2013) which came up with the similar result. Based on the statistical result, the relationship between time risk and purchase intention is very weak and not significant for the company to focus on. This may show that time-loss in finding information does not occur in Shopee platform, since the company has successfully built and maintain a platform that enables foreign sellers in general, to store complete information, detailed specifications, and clear display pictures. In terms of time of delivery, the company also has successfully co-operated with trustable delivery company that ensures the timeliness of the delivery in general. This also related with the type of product that are commonly bought from foreign online sellers, which are low involvement products (Han & Kim, 2017). Low involvement products are not worth the effort and time returning to overseas sellers if something went wrong.

The fifth hypothesis stating that the delivery risk has a negative impact on purchase intention is supported. This is indicated by the path coefficient value is negative at -0.179, and the p-value is 0.049 (lower than 0.05). This finding is supported by the study of Ashoer & Said (2017) and Masoud (2013) which came up with the similar result. Based on the statistical result, the impact of delivery risk on purchase intention was the second highest among other dimensions risk. This means that the company must pay a great attention to this risk dimension, since this factor is the second highest in preventing consumer's willingness to purchase from foreign sellers.

The sixth hypothesis stating that the psychological risk has a negative impact on purchase intention is supported. This is indicated by the path coefficient value is negative at -0.273, and the p-value is 0.002 (lower than 0.05). This finding is supported by the study of Hong & Cha (2013) and Ariffin et. al. (2018) which came up with the similar result. Based on the statistical result, the impact of psychological risk on

purchase intention was the highest among other dimensions risk. This means that the company must pay a great attention to this risk dimension, since this factor is also the highest in preventing consumer's willingness to purchase from foreign sellers. The thing about psychological risk is that it is personal. With experience and trust, the worry and anxiety of potential trouble could pe suppressed. To minimize this problem, company could provide a more detailed and real-time progress related to delivery status. The company could also provide a system that could enable seller and product comparison so consumer will not worried that they will be overwhelmed by choice and the burden of information-obtaining process.

Limitations and Future Research Suggestions

This study has some limitations that need to be considered. First, because of time constraints this study clearly did not expand all the variables might be related to online-based perceived risk, instead there are more specific variables that were combined into one variable. In this study, the researcher was just discussed consumer perceived risks (financial risk, product risk, security risk, time risk, delivery risk, and psychological risk). However, those variable could be expanded into, for example: communication risk, quality risk, after-sale risk, performance risk, social risk, and several other expansion of each variable), and trust in both platform and company can be examined in future researches.

Second, this study did not examine the moderating effect of online consumers characteristics and consumer experience in the relationship between perceived risks and online purchase intention. There are also several moderating effect of type of product bought or product involvement, trust to the platform, and attitude of the online consumers.

Third, further study is necessary to provide a deeper analysis, comparison, and empirical justification, thus allowing a better understanding of the reasons for the uniqueness of the results. Besides, this study shows the need to attempt future studies, to consider the influences of individual characteristics of the respondents such as gender, type of product involvement, and experience on the composition of perceived risk dimensions and analyze their different impacts on online consumers 'purchasing intention, especially in the case of cross-border eCommerce**.**

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