ANALYSIS OF CUSTOMER TRUST ON REPURCHASE INTENTION IN AN ONLINE SHOP ON INSTAGRAM (STUDY CASE: MINISHOPAHOLICS.ID)

ANALISIS KEpercayaan pelanggan terhadap niat pembelian kembali di toko online di Instagram (studi kasus: Minishopaholics.id)

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Abstract: The aim of this study is to analyze the relationship between customer trust and repurchase intentions to find the relationship between these two variables on product marketing on Instagram with study case Minishopaholics. This research is using qualitative method and the type of research approach is descriptive. The data that will use in this study is primary data and secondary data. Primary data is using interviews and secondary data is using the data that have been already collected by and readily available from other sources. The informants in this research were all customer of Minishopaholics with research characteristics of age gap between 15 – 25 years old and minimal 2 products purchased at Minishopaholics, and the total informants is 15. The result of this analyze is that customer have trust because they trust the online shop, so they have an intention for doing the repurchase again since the average answer for the performance is agreed.

Keyword: Customer trust, repurchase intention

INTRODUCTION

Research Background

Instagram has recently become the most popular s-commerce site among young to adult people. Instagram is not only a tool to communicate, but also a means to make friends, share photos and even as a promotional tool for an online shop business. In recent years, that increasing numbers of people have opened virtual stores on Instagram. Instagram is prominent social networking site that become a popular onlineshopping platform among young people, also adults. Instagram is also a tool that has been available as a means to increase sales targets and can also be a means to find out the reach of all promotional activities undertaken. After its
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launch in 2010, Instagram rapidly gained popularity, with one million registered users in two months, 10 million in a year, and 1 billion as of May 2019 and accounting for 24% of all internet users. Among these active users, over 40% were young people aged below 24.

Building customer trust is a key antecedent of online purchasing. Because online transactions are not done face-to-face, buyers usually require trustworthiness and useful information to better understand the online shops and products. Trust is the foundation of a business. Building trust in a long-term relationship with customers is an important factor for building customer loyalty. If consumers trust a seller, then they will be pleased to repurchase and share valuable information personally to other consumers or to the seller. Hajli, Hajli and Khani (2013) found that trust has a significant, positive effect on the intention to buy a product on the Internet. Trust serves as the primary capital in arousing customer intention to do shopping at online shops. Moorman, Deshpandé and Zaltman (1993) defined trust as the willingness of an individual to depend on another party that is involved in an exchange as he or she has confidence in that party. If one party has confidence that the other party that is involved in the exchange has reliability and integrity, then trust has been built. Trust is defined as the tendency of one willing party to accept decisions from the other party even though the first party is not protected by the second party and does not get guarantees from the actions of a second party (Ling et al., 2011). So, customer trust is something that must be obtained by every person or company that offers products or services. And everything experienced or observed by the customer during the transaction is the pure opinion of the customer towards the seller or company. With the growing popularity of e-commerce, more attention should be paid to how trust could affect customer repurchase intention in such a highly interactive online business environment.

Research Objectives

To describe about how customer trust could affect the repurchase intention in minishopaholics and to identify minishopaholic strategies or plans to gain customer trust on repurchase intention.

THEORETICAL FRAMEWORK

Marketing

According to Kotler dan Amstrong (2012), marketing as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return, Stanton (2013) said marketing is a system of business activities designed to plan, determine prices, promote and distribute products that can satisfy desires in achieving company goals. From the above understanding it can be concluded that marketing is an economic activity carried out to meet the needs and desires of consumers with products that have been offered by the company.

Customer Trust

Trust is the foundation of a business. Building trust in a long-term relationship with customers is an important factor for building customer loyalty. If consumers trust a seller, then they will be pleased to repurchase and share valuable information personally to other consumers or to the seller. Hajli, Hajli and Khani (2013) supported that trust has a significant, positive effect on the intention to buy a product on the Internet. Trust serves as the primary capital in arousing customer intention to do shopping at online shops.

Repurchase Intention

Individual’s intention to repurchase is closely influenced by trust and perceived usefulness presented by a store regardless of his or her needs. Customers repurchase intention is referred to as a key to Defensive Marketing strategies that decide business success (Cronin, Brady, and Hult, 2000). Jarvenpaa and Tractinsky (1999) and Gefen and Straub (2004) concluded that the higher the level of consumer confidence, then the higher the purchase intention of the consumer. It can be concluded that the intended repurchase intention is when the customer will need a product or service buy back the same product, there is an emotional bond between customers with a marketer. The intention to repurchase stems from high attitudes positive consumers who are shown to certain products or services.

Previous Research

Dan J. Kim, Donald L. Ferrin, and H. Raghav Rao (2003) aimed to i) develop a theoretical framework
identifying the antecedents of a consumer’s trust and purchase intention, ii) test the proposed model using Structural Equation Modeling, analyzing Internet consumer behavior data collected via a Web survey, and iii) provide theoretical and managerial implications. The results of the study show that consumers’ disposition to trust, privacy protection, security protection, consumers’ perceptions about the selling party’s reputation, information quality, and system reliability are strong antecedents of consumers’ trust. Interestingly, the presence of a third-party seal did not influence consumers’ trust nor consumers’ purchase intention. Finally, consumer’s trust was a strong predictor of their purchasing intention.

Richard Chinomona (2014) investigated the influences of the quality of electronic gadgets on students’ perceived value, trust and their intention to purchase. In view of this research gap, five posited hypotheses are empirically tested using a sample of 151 in South Africa. The results support all the posited hypotheses except hypothesis four which although positive as postulated, is insignificant.

Yulin Fang, Israr Qureshi, Heshan Sun, Patrick McCole, Elaine Ramsey, and Kai H. Lim (2014) extended the literature by exploring the role of e-commerce institutional mechanisms in the online repurchase context. In doing so, it responded to the emerging call for understanding the institutional context under which customer trust operates in an e-commerce environment. Specifically, the study introduced a key moderator, perceived effectiveness of e-commerce institutional mechanisms (PEEIM), to the relationships between trust, satisfaction, and repurchase intention. Drawing on the theory of organizational trust, and based on a survey of 362 returning online customers, it was found that PEEIM negatively moderates the relationship between trust in an online vendor and online customer repurchase intention, as it decreases the importance of trust to promoting repurchase behavior. It was also found that PEEIM positively moderates the relationship between customer satisfaction and trust as it enhances the customer’s reliance on past transaction experience with the vendor to reevaluate trust in the vendor. Consistent with the predictions made in the literature, PEEIM does not directly affect trust or repurchase intention.

Conceptual Framework

![Conceptual Framework](image)

**Figure 1. Conceptual Framework**

Source: Data Processed (2021)

**RESEARCH METHOD**

**Research Approach**

This research uses qualitative methods that aimed to understand and identify the customer trust and repurchase intention in an online shop on Instagram.

**Population, Sample, and Sampling Technique**

The population in this study are the people in North Sulawesi between 15 to 25 years old and customer of Minishopaholics. There are 15 informants as sample in this research that had doing the transaction in Minishopaholics with minimal two purchase transactions. The sample of this research will be used purposive sampling. This sampling technique is based on the researcher's assessment of the knowledge of potential informants or respondents to answer research questions. The assessment that the informant has knowledge is carried out subjectively based on the observations of the researcher. In general, the sample that is considered able to answer research questions is someone who has experience or knowledge related to the research focus.

**Data Collection Method**

This research uses both primary data and secondary data. For the purposes of this research, in-depth interviews were used. In-depth interviews are personal and unstructured interviews, whose aim is to identify participant’s emotion, feelings, and opinions regarding a particular research subject. The primary data in this research is data that taken from the result of interviews that will be conducted with respondents. According to Arikunto (2013), Primary data is data collected through the first party, usually through interviews, traces and others. This research will be collected by researchers directly from main sources by conducting interviews and
Secondary data is the data that have been already collected by and readily available from other sources, the data of this research is data taken from books, articles, several journals, and research that have been done and relate to the research topics discussed in this research.

Operational Definition of Research Variable

In this research, there are dependent and independent variables. Dependent variables are the core of the researcher attention of this research and the independent variable is effecting or impacting the dependent variable. In this research, the customer trust is the independent variable (X) and repurchase intention is the dependent variable (Y).

Data Analysis Method

This research use the data analysis method by Miles and Huberman Models.

RESULT AND DISCUSSION

Interview Result

The result of this research will be discussed in this section. There are 15 informants of this research with various background. The informants have a 2 minimal purchase transaction in Minishopaholics with age gap 15 –25 years old.

Informant 1 is a 24-year-old woman and she is a graduate of Samratulangi University, majoring of Political Science in 2020. She buy the product from Minishopaholics about 3 times. She is Very satisfied with the quality of the products and the product intended for use at an event

Informant 2 is a 23 year old woman who works as an AVT intelligence car multimedia at Jakarta Motor Car & Audio Manado and she is domiciled or residing in Manado City. Casey said that she doesn't buy products at online shops too often because she prefers with the products in stores or going to see the products she wants to buy in person. She buy about 2 product from Minishopaholics.

Informant 3 is a 21 year old woman who lives in Manado but she often helps her parents’ workshop business in Remboken. She is often buying Minishopaholics products because the owner is her cousins.

Informant 4 is an 18-year-old woman who is currently studying at the Faculty of Law, Manado State University (UNIMA) batch 2020, and Celine lives in Kumelembui, Tomohon. Celine doesn't shop online very often, because Celine once had a bad experience when buying products online, but she buy the products from Minishopaholics for a couple time.

Informant 5 is a 20 year old young woman who lives in Poigar, Bolaang Mongondow, before Covid-19 happened, she worked at the Salisa Company that sells beauty products in Manado, but since she stopped working she lives with her parents back in Poigar but she often come to Manado. Shelin said that she shopped
Informant 6 is a 17 year old girl who lives in Manado, even though she is still young, she likes to do business selling second hand goods through her Facebook with her mother. Apart from doing business, she also often buying stuffs in live shopping and also quite often buys products at online shops. She bought about 4 products, but one of the products belonged to my mother which was purchased through her.

Informant 7 is a 20 year old girl who lives in Manado. Currently she is active as a distributor in the KK health/beauty company. She does shopping online quite often, especially with the Instagram platform but, shebuy about 5 products and 1 product she give for her friend for a birthday present.

Informant 8 is a 23 year old young woman live in Tomohon, she is is a Religion Teacher and Catechist. She sometimes shop online, but when there is a need, she will definitely shop at the online shop and she trust to shop at Minishopaholics, because their Instagram display or product photo feeds look convincing, as well as reviews from people who buy products there.

Informant 9 is a 19 year old girl who lives in Manado. She says that she is quite fond of buying her things through an onlineshop rather it on an e-commerce platform or an Instagram onlineshop. She shopped 3 times and she know about Minishopaholics because of her friend. She trust to shop at Minishopaholics, because their Instagram display or product photo feeds look convincing, as well as reviews from people who buy products there.

Informant 10 is a 21 year old married woman, currently studying at UNSRAT majoring in Marine Science. She rarely shopped through the Instagram platform. She think the reputation of Minishopaholics is quite good because from the beginning she was sure that this online shop could be trusted because at that time she really had an urgent need to use it at family event. She have a definite intention to repurchase because she already trust in that place, the price she can afford, and the product arrived at her place safely. So she put mytrust in Minishopaholics and even joined a social gathering there and luckily everything went smoothly.

Informant 11 is a 20 years old girl and studying at UNIMA faculty of Education. She shopped bags there twice, and indeed the owner of Minishopaholics was a high school friend of her friend at St. Familia Tomohon, so she found out about this onlineshop from the owner. She think Minishopaholics reputation is quite good, it can be seen from the followers in this past 1 year has increased quite a lot, and the quality of the product is good according to the price.

Informant 12 is an 18 year old girl, living in Langowan and currently studying at the Faculty of Economics at UNIMA. In addition to studying, she also runs an online shop @kymchi_shop besides that she is also a reseller at Minishopaholics.

Informant 13 is a 20 year old girl who lives in Manado. This SMK graduate is currently working at PT. Global Gemilang Express as accounting administrator. She said that she often shop online on IG platform. Minishopaholics reputation in her opinion is very good, she have never heard of any problems or complaints from their customers. The products is very good quality and food price.

Informant 14 is a 20 year old girl, living in Remboken and studying at UNSRAT faculty of Public Health, while studying she rented a boarding house as a place to live in Manado. She said that she buys products at an online shop if there is a need. In her opinion, Minishopaholics has a good reputation, it can be seen from the development of the business even though it is relatively new, the products are of good and premium quality and the price is affordable and regarding the service of Minishopaholics.

Informant 15 is a 21 year old girl, living in Urongo, Tondano. Gabby says she shop online quite often onIG. She buy the product from Minishopaholics about two times and she said the products are good, cheap, and Minishopaholics can be trusted, for example from the pictures of the products they put are similar to the ones they sell.

Discussion

Honesty

Honesty here is defined as something that makes customers trust Minishopaholics, in terms of products, reputation, or service. The finding on honesty section, Gabby, Shelin, and Gratia are very satisfied with the quality of the products from Minishopaholics, Shelin stated that the products they sells are premium quality, good product material and neat stitches. Natalia who is interested in the new products that Minishopaholics offers. Marya and Carmenita who are attracted by the reputation of Minishopaholics are good and convincing, Yaya stated the good reputation of Minishopaholics makes her want to buy their products. The products and onlineshop look convincing. Natalia, Kezia, and Gratia who are interested in affordable prices, Kezia says the
product price can she afford, and Gratia stated that with that price she can get a good quality bags. Felia and Ing stated the product that arrived was very in accordance with the picture shown, Celine who said the product arrived in good condition like she stated the product Minishoppaholics are in good condition until arrived at her place, also Ing, Kirey, Intan, and Gabby said that admin/ the owner is friendly, responsible, and willing to help and Gracia who stated that she never pays the postage, Kirey stated that the owner is friendly and willing to help her. Kotler (2002) said, trust can drive intent to buy or use the product in a way that eliminates doubt. From the statements of the informants above the result of the findings, it can be seen that they gives a good reasons that reveal that Minishoppaholics can indeed be trusted.

**Benevolence**

Benevolence here is defined as the kindness and willingness of the seller to provide mutually beneficial satisfaction between the owner and the customer and in 82 this case such as discounts, sales, or promotions. From fifteen informants, eight from them are interested with the benevolence that Minishoppaholics offered. Some of them buy the products while it on sales or promos, Casey stated that she bought her first product at Minishoppaholics when she saw the sale on Minishoppaholics IG and Yaya stated that if there is one product she really likes to buy it’s even better if it’s on sale or promo’s . The rest seven informant says that they not interestedor does not care if they buy the products without any sale or promo’s, Carmen stated that for her personally it’s ok if the products she want to buy does not on sale or promo’s because she is think the discaout is only 10 thousand – 20 thousand. So the result of this findings, benevolence is had another benefits for customer but it all comes back to their needs or want again. There are also those who pay attention to their capacity in this regard is money. Sale and promo is reduced the prices or promo buy 4 get 1 free, so more people are interested in the sale, promo or discounted price given by Minishoppaholics.

**Competences**

Competence here is the perception of knowledge, ability to solve problems, and ability to fulfill customer needs by Minishoppaholics. Fifteen participants gave a random answers about their experiences and perspectives on the competencies provided by Minishoppaholics. Some of them compare it with e-commerce platforms and some compare it with online shops and other stores according to their experience. But in their opinion Minishoppaholics is more superior to them starting from the price, product quality, and the products are ready in Manado, Cia share her experience when she shopping at MTC in one of the stores in there with the same model it’s cost two times more than in Minishoppaholics and then the part to close the bag is rusty, some of them also sayshopping at Minishoppaholics is easy, and not complicated like Casey statement, the quality and the price is relatively cheap compared to the bag products offered at Shopee or Tokopedia which still have to wait the delivered for days and the quality of the products is still in doubt. Some of them also notice and appreciate the product images displayed in Minishoppaholics' Instagram feeds that are taken by the owner and the products they buy are in accordance with the images displayed. According to Wibowo (2007), competence is an ability to carry out or perform a job or task based on skills and knowledge and supported by the work attitude required by the job. From the statements and experiences of the informants the result of the findings, Minishoppaholics is better than several places that sell the same product, some informants can assess the business that Minishoppaholics wants to show to meet their needs when shopping by providing original pictures and reviews from customers that can further strengthen willingness to shop there.

**Desire**

Desire here is when the customer is already interested in the product, then it's time to create a passion and a more emotional connection. In this case, some of the reasons they have a desire have been expressed through their experience, maybe before customers have a number of doubts and questions about the product. This is where it is very important to reassure customers and provide many other reasons so that consumers can feel the need to buy the product, and the informants have shared their facts, now is the reason they have the intention to repurchase. Almost all of the informants desire to buy the products because of their needs but some of them is because of obtaining other benefits that is, when they see an offer such as a sale or promo, they finally end up have the desire to buy the product, Natalia stated that during the second transaction she bought a bag with a buy 2 get 1 promo if she not mistaken it was Minishoppaholics' first anniversary and she know it from Minishopaholics Instagram story. For Kirey she has her own business, so she desire to buy Minishoppaholics products because of her business. For the result of this findings, people intend to buy products at Minishoppaholics is because their desire of their needs rather it’s their own needs or for business also desire.
because of the promo’s or sale, desire is really correlated with customer intention to doing repurchase.

Need

Needs here is for what this product is used for, what factors can make they had an intention for buying Minishoppaholics products. it’s supported by the research by Murray, needs are constructs about the power in the part of the brain that organizes processes such as perception, think, and act to change existing and non-existing conditions satisfying. Needs can be generated by internal processes, but more often stimulated by environmental factors From the fifteen informants said that they bought products at Minishoppaholics as everyday use such as hangouts or used to go to work, but there is also a need when buying teh product is literally to wear it to an event or party like Gabby said she bought the bag because it was intended to be used at an event. For Intan and Felia besides for their everyday use, they also buys the products from Minishoppaholics as a gifts for their friend or relatives. The result of the findings is, need is correlated with the customers intention to doing the repurchase at Minishoppaholics.

CONCLUSION AND RECOMMENDATION

Conclusion

Finally, on the basis of all findings by investigating the relationship between customer trust and repurchase, researcher conclude that there is a positive relationship between customer trust and repurchase intentions customer that already trust and satisfied to the online shop are more likely to continue their relationship with a particular firm than dissatisfied ones. All firms that want to create and maintain competitive advantage against rivals should offer superior services to their customers so they can get trust from customer. Customer trust is also important for organizations as it has a positive impact on the company's overall financial performance. Also offering quality products and services which can be said to be a key factor to gain customer trust and have a positive effect on customer’s future repurchase intentions. Building a direct relationship between repurchase and gaining trust is not easy for many organizations and this relationship can be weak.

Recommendation

The recommendation below is given to the online shops that open their shops on Instagram platforms. There are so many online shops that open their business on the Instagram platform now, online shops are born and gone, it is very difficult for an online shop to survive and compete with other online shops or other stores if they can't provide something innovative, and something that customers want or needs. Based on the research above, the researcher recommends that:

1. Due to the fact that customer trust is related to repurchase intention, online shop business should focus more on customer satisfaction than sales volume, because customers are the lifeblood what keeps a business going therefore, attracting them to repurchase a particular product is important for the organization.
2. Quality goods or services must be produced to meet or even exceed changes that are always happening customer needs, expectations or preferences.
3. An online shop must be able to create, build and maintain long-term relationships with customers in to achieve long-term profitability.
4. Be honest with customers and be honest about your online shops.

The Researcher hope, this research will be using only to review about the influence of customer trust on repurchase intention on an online shops in Instagram, and recommended the next researcher to have more informant or conduct the research by using a bigger online shop with a wider sales area.

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