

USE OF CREDIT CARD IN E-COMMERCE

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ABSTRACT

The growth of e-commerce in Indonesia is followed by the development of online payment method using credit card. Marketers see that data privacy issues are still a consideration for consumers to use credit cards as online payment tools. The purpose of this research is to know the influence of TAM, TPB and perceived security variables on the use and loyalty of the payment system. Methods of data collection using questionnaires distributed to 203 consumers who have made payments using credit cards in e-commerce. The analysis method used in this research is structural equation modeling. The results of this study indicate that perceived usefulness has a positive and significant influence on trust and intention to use, perceived ease of use has a positive and significant effect on perceived usefulness. Based on the results of research, there is an effect of perceived ease of use on perceived usefulness in millennials who have partially made payments in e-commerce using credit cards, trust variable is able to mediate the relationship between perceived usefulness and intention to use and is a partial mediating variable, the trust variable is not a mediating variable on the relationship between perceived ease of use and intention to use and the trust variable is able to mediate the relationship between perceived security and intention to use and is perfect mediating variable.

Keywords: Credit Card, E-Commerce, Perceived Security

1. INTRODUCTION

Technological developments are one of the main factors in the proliferation of e-commerce businesses in Indonesia. The business also has the largest consumers in the millennial generation, namely people aged 17-40 years in 2017 and the highest age range of e-commerce users is 20-29 years (Spire Research & Consulting, 2016). The increasing number of e-commerce industry players must also be supported by adequate payment methods to compete with each other. One of the payment methods that almost all e-commerce in Indonesia has is a credit card payment method. But in reality, there are still many consumers who are worried about using the credit card online in terms of security and privacy.

In contrast to the security side which is quite risky and tends to be rejected, consumers see the usefulness and convenience that can be achieved from using credit cards in e-commerce that other payment methods cannot provide. One of the efforts of e-commerce and credit card providers in increasing credit card penetration in making online payments is through promos that can only be obtained if we make payments with certain credit cards, the amount of promos varies according to the type of credit card and provider. Examples of promos provided by credit card providers through e-commerce are cashback promos on certain dates or days and in e-commerce in collaboration with the credit card provider.

To strengthen the phenomenon, a preliminary research was conducted which showed that of 62 respondents who had shopped at e-commerce, 26% of respondents wanted to use a credit card because the payment method was easy to use and 71% of respondents used a credit card because of the benefits that can be obtained from using a card. the credit in e-commerce. Although only 25% of respondents have experienced fraud on behalf of banks, it turns out that the level of concern of respondents to use credit cards online in e-commerce is still quite high, namely 79% of respondents who stated that they were worried about this. Based on the above background,

The previous research used in this study is the Effect of Trust, Security and Privacy on Intentions to Use Paypal by Ilsa Haruti Suryandari (2012) which discusses the perception of a person's security in an online payment system using paypal, this previous study used the SEM-PLS analysis method which showed that the perception of security, perception of privacy, and trust affect a person's intention to use (Suryandari, 2012). The advantage of this research compared to previous research from Suryandari is that this study uses the TAM and TPB research models to see a person's intention to use technology from the point of view of technology acceptance and consumer behavior, not only on the security aspect.

2. METHODOLOGY

The design of this study is a causal research design which means that this research design is intended to test hypotheses and examine the relationship between variables (McDaniel, Jr. & Gates, 2015). This study uses quantitative methods and the analysis uses the SEM-PLS method with the additional method of factor analysis to determine the most

important indicators and the regression used to see the value in the regression equation and the effect is unidirectional or not. The data was collected using an online survey method using a google form which was distributed to millennials who had used a credit card as a payment method in e-commerce.

3. RESULTS AND DISCUSSION

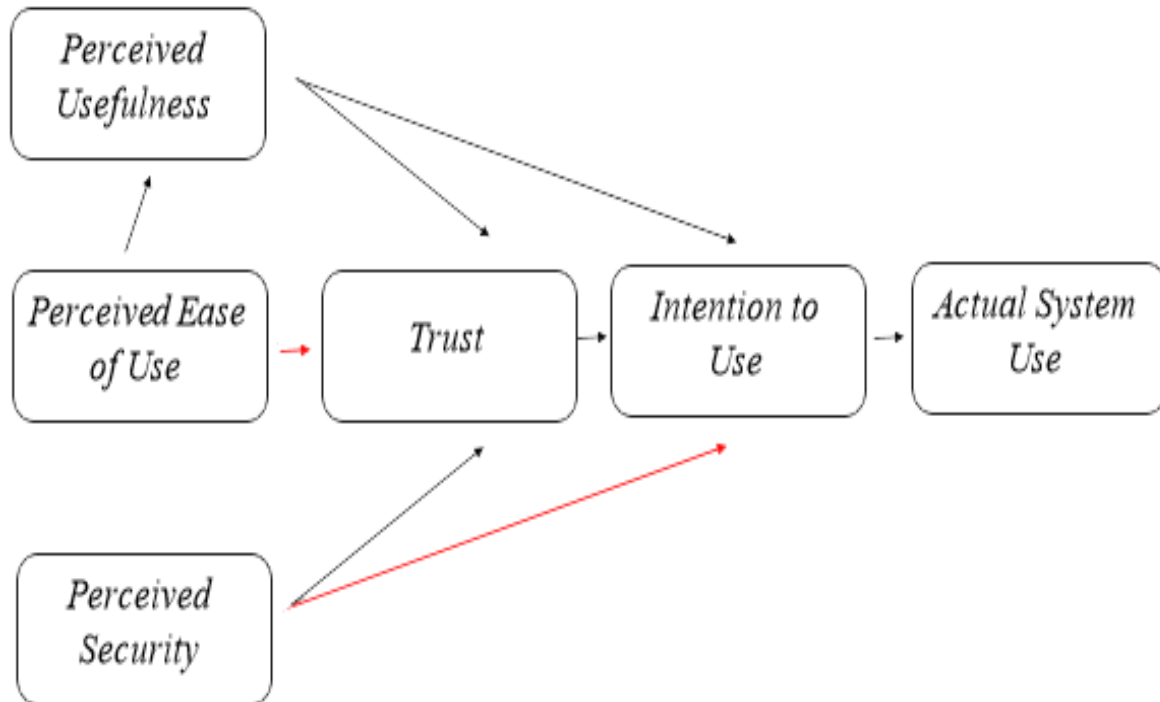


Figure 1 Research Framework

The results of this study can be seen from Figure 1, the red arrows indicate that there is no significant relationship between variables, namely between perceived ease of use and trust and perceived security and intention to use variables, while 6 relationships between other variables show a significant relationship.

<i>Mediator</i>	<i>Independent</i>	<i>Dependent</i>	<i>Results</i>
Perceived Usefulness	Perceived Ease of Use	Trust	Perfect Mediation
Trust	Perceived Usefulness	Intention to Use	Partial Mediation
	Perceived Ease of Use	Intention to Use	Not a Mediation Variable
	Perceived Security	Intention to Use	Perfect Mediation
Intention to Use	Perceived Usefulness	Actual System Use	Partial Mediation
	Trust	Actual System Use	Partial Mediation
	Perceived Security	Actual System Use	Not a Mediation Variable

In the mediation analysis using SEM-PLS, it can be seen that intention to use is not able to mediate the relationship between perceived security and actual system use, and intention to use is not able to mediate the relationship between perceived security and actual system use, while the other mediating role is the intention to use variable. perceived usefulness, and trust can be said to be able to mediate the relationship between variables.

4. CONCLUSIONS AND SUGGESTIONS

Based on the results of research that has been done, the conclusions of this study are as follows:

- There is an effect of perceived ease of use on perceived usefulness in millennials who have partially made payments in e-commerce using credit cards.
- There is an influence of perceived usefulness, perceived ease of use and perceived security on trust in millennials who have made payments in e-commerce simultaneously using credit cards.

- c. There is an influence of perceived usefulness, trust and perceived security on the intention to use on millennials who have made payments in e-commerce using credit cards simultaneously.
- d. There is an influence of trust on intention to use in millennials who have partially made payments in e-commerce using credit cards.
- e. There is an effect of intention to use on actual system use for millennials who have partially made payments in e-commerce using credit cards.
- f. The perceived usefulness variable is able to mediate the relationship between perceived ease of use and trust and is a perfect mediating variable.
- g. The trust variable is able to mediate the relationship between perceived usefulness and intention to use and is a partial mediating variable, the trust variable is not a mediating variable on the relationship between perceived ease of use and intention to use and the trust variable is able to mediate the relationship between perceived security and intention to use and is perfect mediating variable.
- h. The intention to use variable is able to mediate the relationship between perceived usefulness and trust with actual system use and is a partial mediating variable for both relationships. The intention to use variable is not able to mediate the relationship between perceived security and actual system use.

Based on the results of research that has been done, suggestions from this study are as follows:

- a. Based on the results of research showing that there is an effect of perceived ease of use on perceived usefulness in millennials who have made payments in e-commerce using a credit card partially.

So the researchers suggest that e-commerce business people and credit card issuers develop user experience in payment procedures using credit cards online in e-commerce to make them easier to understand and learn, as well as use language that is not complicated and not too technical in procedures to avoid different perceptions between consumers and e-commerce parties and credit card issuers and the performance of the system is in accordance with consumer expectations.

- b. Based on the results of research showing that there is an effect of perceived usefulness, perceived ease of use and perceived security on trust in millennials who have made payments in e-commerce using credit cards simultaneously, there is also a partial relationship except for the perceived ease of use variable.

So the researchers suggest e-commerce business people and credit card issuers to further highlight the uses and benefits, especially promos that can only be obtained if consumers make payments using credit cards in e-commerce also guarantee the confidentiality of data provided by consumers to e-commerce parties not to known to others and cannot be manipulated, e-commerce parties and credit card issuers can also apply for security certifications and use certain security standards to apply.

E-commerce business people and credit card issuers can also show logos, certifications, and features that can be seen clearly and are large enough to increase consumer confidence, because convenience does not affect trust, e-commerce businesses and credit card issuers can allocate the costs used to increase awareness of the ease of use of the system so that the costs used in the increase are not too large if it is intended to increase consumer confidence.

- c. Based on the results of the study which show that there is an influence of perceived usefulness, trust and perceived security on intention to use, millennials who have made payments in e-commerce using credit cards simultaneously also have a partial relationship to intention to use except for the perceived security variable.

So the researchers suggest that e-commerce business people and credit card issuers make the user interface as well as the user experience as simple as possible as well as highlight the usability and benefits that can only be obtained if you make payments using credit cards in e-commerce and put payment and data security certifications on the start page. website or provide a statement of data security guarantees on the payment page to make it easily visible to consumers and increase consumer confidence.

- d. Based on the results of research which shows that there is an influence of trust on intention to use in millennials who have made payments in e-commerce using credit cards partially.

So the researchers suggest e-commerce business people and credit card issuers to improve all aspects that can increase consumer confidence, for example, guaranteeing the safety of consumer data so that other parties cannot know and continue to improve the security system. The consistency of the company to always keep what consumers say and get the same is also a reason to build consumer trust and also guarantee the quality of services and products that will be provided to consumers.

- e. Based on the results of research which show that there is an effect of intention to use on actual system use for millennials who have partially made payments in e-commerce using credit cards.

So the researchers suggest e-commerce business people and credit card issuers to build a good CRM program to maintain customer loyalty which also includes actual system use and maintain the best possible corporate image by providing the most profitable benefits as well as maintaining consumer trust and ensuring the confidentiality of data that is shared. effect on consumer usage intentions.

- f. Based on the results of research that shows the perceived usefulness variable is able to mediate the relationship between perceived ease of use and trust and is a perfect mediating variable.

So the researchers suggest e-commerce business people and credit card issuers to be able to increase consumer confidence by involving ease of use, it is necessary to include aspects of the benefits of using the system by combining these two factors, namely by providing beneficial features or benefits that can be obtained by using the system. easy and uncomplicated, don't forget to highlight the uses and benefits clearly so that they are easily visible and designed to convey all the values you want to convey as simply as possible.

- g. Based on the results of research which show that the trust variable is able to mediate the relationship between perceived usefulness and intention to use and is a partial mediating variable, the trust variable is not a mediating variable on the relationship between perceived ease of use and intention to use and the trust variable is able to mediate the relationship between perceived security and intention to use and is a perfect mediating variable.

So the researcher suggests e-commerce business people and credit card issuers to be able to combine aspects of security and trust to be able to influence consumers' intentions to use, for example by providing clear quality and honesty guarantees and also prominent security certifications on the front page of the website.

- h. Based on the results of the study which showed that the intention to use variable was able to mediate the relationship between perceived usefulness and trust with actual system use and was a partial mediating variable for the two relationships. The intention to use variable is not able to mediate the relationship between perceived security and actual system use.

So the researchers suggest e-commerce businesses and credit card issuers to create customer relationship programs that can make consumers want to shop continuously using the payment system by providing installments with a fairly long tenor and without interest or reward points as well as cashback which can only be obtained with make payments using credit cards in e-commerce.

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