



# FACTORS INFLUENCING ONLINE PURCHASE INTENTION OF SMARTPHONES IN INDONESIA

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## KeyWords

E-Commerce, Consumer Behaviour, Indonesia, Marketing, Smartphone, Online Purchase Intention, Quantitative Research

## ABSTRACT

This paper aims to study the online purchase intention of smartphones and the factors that could influence it in Indonesia. Variables such as personal capability, personal interest and preference, online stores' product price, online stores' product quality, online security, technical, social risk, and psychological risk were tested to confirm the hypotheses. A survey was conducted with 311 respondents, and multiple regression analysis was utilized to evaluate the data. Trust was the most prominent factor that could influence online purchase intention of smartphones, while the least affecting was product quality. Personal capability, technical factors, and risks (social and psychological) were found to be insignificant to smartphone online purchase intention. The result helped to understand online consumer behaviour in regards to online purchase intention of smartphones in Indonesia. Recommendations for online shops were also discussed.

## 1. INTRODUCTION

There is no doubt that smartphones have become an additional organ to humans. They extend our mobility beyond what could be done physically. This technological innovation allows us to reach for items kilometers away from us, talk to others instantly on the other side of the globe, capturing moments to last forever, and experience the world from home among others. With the power of high speed internet, all of these benefits are accessible in the palm of our hands. In 2017, 60% of the world's population owns a smartphone, 53% of them are internet users, and at least 22% of them purchased goods online [14, 18, 43].

As the fourth most populated country in the world, Indonesia has more than 17.000 islands and a great cultural diversity between each area [53]. Based on report from Badan Pusat Statistik (Statistics Indonesia), Badan Perencanaan Pembangunan Nasional (National Development Planning Board), and United Nations Population Fund in 2013, Indonesia is estimated to have 255.461,7 million population in 2015 which 10.177,9 million of them live in Jakarta Greater Area [6].

Even though internet penetration in Indonesia is relatively low due to uneven digitization across the country, those who are connected are very digitally savvy and engage in heavy social media usage and e-commerce [23, 25]. It should be noted that 84% of internet users in Indonesia access the internet on their smartphones, highlighting the significance of this device, and 78% of them actively make online purchases [25, 49]. Supported by a thriving environment for e-commerce start-ups, such as Tokopedia and Bukalapak, Indonesia's digital transaction was estimated to have reached USD 13.6 billion in 2019, and this figure is expected to grow in the future [23].

The digitization of commerce is not discounted by its many flaws. Many are still concerned about transaction security, information protection, electronic contract validity and enforceability, inadequate information release, product quality, and rights enforcement [39]. Consumers still perceive online shopping as highly risky [27]. Because they prefer face-to-face interaction, consumers still make purchases offline to avoid dissatisfaction of information displayed on the website [19].

Previous research discovered that online smartphone purchase intention factors related to personal, company, and technicality are primary parameters that are used as a benchmark to study the factors that affect online smartphone purchase intentions [8]. However, until now there is no literature that discusses in full the benefits and risks felt by consumers in Indonesia in purchasing smartphones online. This research aims to complete that gap—that is, to understand how the suspected factors could influence online purchase intention of smartphones.

## **2. LITERATURE REVIEW**

### **2.1. Online Purchase Intention of Smartphones**

Increased online businesses have made it imperative to examine the circumstances and influences that affect consumer's purchase intention since uncovering the factors that inspire them to buy via online stores may help us understand their shopping behavior. An earlier study done by Close and Kukar-Kinney (2010) have determined that online purchase intention stems from purchase intention, and the resulting intent can be described as the willingness of consumers to make purchases on the internet [10, 36].

Consumers who feel discouraged to make online purchases have most likely perceived high risk in the activity, which can be elaborated into social and psychological risks among others [4, 29, 30, 36, 46, 56]. With the existence of e-commerce and prevalence of smartphones in our daily lives, it is worth examining the conditions that influence consumer's intention of online purchase. Two studies have reported that the properties of the smartphones (design, usability, and features), perceived price, and perceived quality are taken into account in online purchase intentions of smartphones [37, 41, 54]. Figure [1] shows the theoretical framework of this study, which can be found at the end of the Literature Review section.

### **2.2. Personal-related Factors**

The consumer's ability to use electronic devices, such as computers, laptops, or smartphones, browsing the internet, and utilizing e-payment are studied to examine if they would affect online purchase intention. Furthermore, their preference towards online shopping will be examined here. Delafrooz, Paim, and Khatibi (2011) had previously determined that being able to navigate through online shops and make purchases there would affect consumer's online purchase intention [11]. The relationship between technology literacy and online purchase intention have also been elaborated by previous researches [25, 45]. Making an online payment is a necessary step in an online purchase; as such, consumer's comprehension in making an online payment plays a role in online purchase intention [2, 45]. It also cannot be ignored that demography, which consists of gender, age, education, income, occupation, marriage status, and city of residence among others, affects online purchase intention [3]. There is an opportunity to

separate this particular factor into two subfactors because of their different objectives. As such, H1 and H2 are proposed based on the aforementioned findings:

- H1. There is a positive relationship between personal capability and online purchase intention of smartphones.
- H2. There is a negative relationship between personal interest and preference and online purchase intention of smartphones.

### **2.3. Company-related Factors**

Online stores provide information on price and quality of products. They also display information that could assure consumers about security and trust of transacting via online channels. These become important factors that affect consumer's behavior when they ought to make an online purchase, especially when they encounter uncertainties and risks involving scams, identity theft, and piracy [8, 28, 55]. In a qualitative study, product availability, inexpensive price, special offers, price comparison, ease of use, trust of online stores, customer service, and variations can make impacts on the consumer's smartphone online purchase intention [21]. There is an opportunity to separate this particular factor into four subfactors because of their different objectives. As such, H3 through H6 are proposed based on the aforementioned findings:

- H3. There is a positive relationship between product price in online stores and online purchase intention of smartphones.
- H4. There is a positive relationship between product quality in online stores and online purchase intention of smartphones.
- H5. There is a negative relationship between online security and online purchase intention of smartphones.
- H6. There is a positive relationship between trust in online stores and online purchase intention of smartphones.

### **2.4. Technical-related Factors**

Consumers need to know the attributes and quality products that they are buying, so their ability to access information is important in affecting the intention of purchase. In this digital era, the inability to directly and physically examine a product is the largest obstacle of online shopping [42]. Some consumers, in fact, are unsure about products they cannot touch and see directly, so they prefer to try them in person and make an educated decision there [8, 20, 34]. H7 is proposed based on findings of the aforementioned studies [20]:

- H7. There is a negative relationship between shopping technicality (technical factor) and online purchase intention of smartphones.

### **2.5. Social Risk Factors**

Social risk of online purchase of smartphones comes from negative reactions from family, friends, or communities, and it can be defined as dissatisfaction, disagreement, or the potential of losing good reputation [13, 40, 44]. H8 is proposed based on findings of the aforementioned studies:

- H8. There is a negative relationship between social risk in online stores and online purchase intention of smartphones.

### **2.6. Psychological Risk Factors**

Psychological risk of online purchase of smartphones can potentially disappoint consumers because of mismatched product expectations and quality, which may also result in offending them [44, 51]. H9 is proposed based on findings of the aforementioned studies :

- H9. There is a negative relationship between psychological risk in online stores and online purchase intention of smartphones.

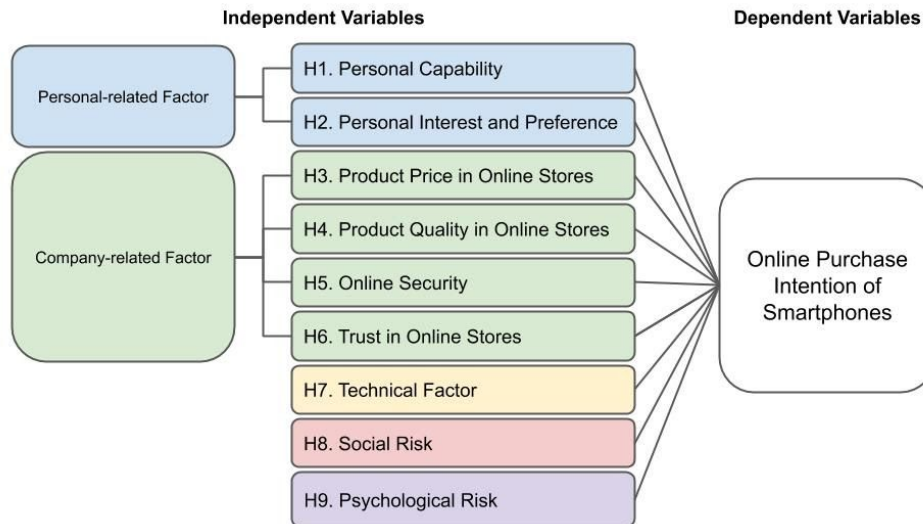


Figure 1. Theoretical Framework

### 3. RESEARCH METHODOLOGY

This study was conducted with quantitative methods loosely based on previous researches [5, 8]. For factor analysis purposes, Tabachnick and Fidell (2007) suggested that the study should have at least 300 respondents [48]. A total of 311 respondents based in Greater Jakarta, Indonesia, took the online survey for a period of ten days.

The variables were measured by a questionnaire in three parts. Age, sex, education, occupation, and monthly income were covered in the first part. Next, respondents' perception of the proposed dependent variables are scored in a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The last part gathered data on their online purchase intention of smartphones once again using a five-point Likert scale ranging from 1 (very unlikely) to 5 (most likely). Items from the second and third part of the questionnaire were as follows:

Table 1. Questionnaire Items

Construct	Items
Personal Capability	I consider myself as a computer expert
	My internet browsing skills are excellent
	I am knowledgeable in using different electronic payment systems (e.g. online banking, e-wallet, etc.)
Personal Interest & Preference	I am not interested in online shopping
	Online shopping has no appeal to me.
	It is more fun to buy in the mall than in online shops
	I prefer to see smartphones personally rather than online
	I prefer to see or touch the smartphones before buying it
Online Stores' Product Price	The prices of the smartphones are less expensive online than in malls
	In online shopping, the prices of smartphones have big discounts
	It is easier to compare the prices of smartphones in online shopping than in malls
	Online sellers provide more attractive promotions for smartphones
	I get the best value of my money when buying smartphones online

Online Stores' Product Quality	The smartphones are not of good quality
	The smartphones did not pass quality control
	The smartphones are below standards
Online Security	There are many scammers online
	Online account might be hacked
	It is not safe to give sensitive information (e.g. credit card number)
Trust in Online Stores	I believe that online shoppers can receive their orders on time
	I am confident that the smartphones being sold are original
	I believe that I will receive the ordered smartphones in good conditions
	I believe that online shopping providers will keep their promise of quality smartphones
	I believe that online shopping providers are legitimate/legal
Technical Factor	It is easier to pay in conventional stores than in an online stores
	It is easier to choose smartphones in conventional stores than in online stores
	It is easier to replace smartphones bought in conventional stores than in online stores
	It is difficult to scrutinize the overall quality of the smartphones in online shops
	The designs of the smartphones are difficult to inspect online
	It is hard to tell if the smartphones being sold online are functional
Social Risk	The purchased product may result in disapproval by family
	Online shopping may lower the image of people around me
	Online products may not be recognized by relatives and friends
	Online shopping may lower others' image of me
Psychological Risk	I cannot trust the online company
	I fear that the apparel will not be delivered appropriately
	I could be frustrated if I am dissatisfied with the quality of the product
Online Purchase Intention of Smartphones	If I need a new smartphone, I will buy it online
	I am willing to use my credit or debit card to buy smartphone(s) online
	I am willing to give my personal information to buy smartphone(s) online
	I am willing to pay an extra charge (e.g. delivery charge) in any shopping website
	I am willing to wait for the delivery of the smartphone I bought online

The entire survey was presented in Bahasa Indonesia, and 10 random respondents pre-tested the items before they were published. After a sizable number of responses were gathered, the study tested the appropriateness of the collected data and measurements. Kaiser-Meyer-Olkin, Bartlett, factor analysis, and Cronbach's Alpha tests were respectively used to analyze sampling adequacy, sphericity, validity, and reliability.

The next step was to analyze the data with descriptive analyses. Then, the relationship among the independent variables with online purchase intention of smartphones were examined using multiple regression analysis.

## 4. RESULTS

### 4.1. Descriptive Analysis

#### 4.1.1. Profile of the Respondents

Out of 311 responses, 307 are usable and 4 responses are discarded. Table 2 shows the respondents' background profiles, consisting of age, sex, education, occupation, and monthly income. Majority of the respondents are 25 to 34 years old (59.2%), female (60%), bachelor degree earners (74.9%), that worked in private enterprise employees (68.5%) with a monthly income of IDR 6,000,000 to 12,000,000 million (42.4%).

Table 2. Profile of Respondents

Category	Profile	Freq	Percentage
Age	Under 18	2	0,7%
	18-24	74	24,1%
	25-34	181	59,0%
	35-44	38	12,4%
	45-54	11	3,6%
	Above 55	1	0,3%
Sex	Male	121	39,4%
	Female	185	60,3%
	Others	1	0,3%
Recent Education	Under Highschool	1	0,3%
	Highschool	15	4,9%
	Diploma	9	2,9%
	Bachelor	230	74,9%
	Master	38	12,4%
	Doctor	0	0,0%
	Others	14	4,6%

Category	Profile	Freq	Percentage
Occupation	Student	30	9,8%
	Government Employee	24	7,8%
	Private Employee	211	68,7%
	Entrepreneur/Professional	25	8,1%
	Retiree	3	1,0%
	Others	14	4,6%
	Marital Status	Unmarried	202
Married		100	32,6%
Divorced		5	1,6%
Widow		0	0,0%
Monthly Income	Under IDR 5 million	78	25,4%
	IDR 6-12 million	130	42,3%
	IDR 13-30 million	75	24,4%
	IDR 31 - 50 million	19	6,2%
	Over 51 million	5	1,6%

#### 4.1.2. Perceptions toward Buying Smartphones Online

Table 3 presents how the respondents perceive purchasing smartphones in online stores, where it is shown that personal capability (M = 4.50) has the highest mean rating among all the factors. Social risk (M = 2.14) has the lowest mean rating. Respondents strongly responded positively on online stores' product price (M = 3.80), online stores' product quality (M = 3.65), and factors of technical difficulties in making online purchase (M = 3.81), while strongly respond negatively to personal interest and preference (M = 2.39), online security (M = 2.28). However respondents have middling responses (M = 2.5 to 3.5) towards trust in online stores, psychological risk, and intentions to purchase smartphones online.

Table 3. Respondents' Perception Descriptives

	N	Minimum	Maximum	Mean	Std. Deviation
Personal_Capability	307	2.33	5.00	4.5092	.54049
Personal_Interest_and_Preference	307	1.00	5.00	2.3967	1.06990
Online_Stores_Product_Price	307	1.00	5.00	3.8059	.73376
Online_Stores_Product_Quality	307	1.00	5.00	3.6526	.88857
Online_Security	307	1.00	5.00	2.2823	.86062
Trust_in_Online_Stores	307	1.00	5.00	3.3336	.75443
Technical_Factor	307	1.00	5.00	3.8100	.83719
Social_Risk	307	1.00	5.00	2.1458	.88083
Psychological_Risk	307	1.00	5.00	3.0847	.95699
Online_Purchase_Intention_of_Smartphones	307	1.00	5.00	3.0866	1.03427
Valid N (listwise)	307				

## 4.2. Goodness of Measure

In the following subpart, the validity and reliability of independent variables are examined separately. The results are as follows:

### 4.2.1. KMO and Bartlett Test

As a general rule, KMO test values > 0.5 and Bartlett's test significance < 0.05 are accepted. All variables meet the determined criteria, as shown in table 4.

### 4.2.2. Validity and Reliability

The validity and reliability of the constructs used in this study are tested individually based on a predefined construct that are synthesized as in part 2 of this research. Validity is tested by using Exploratory Factor Analysis (EFA) with principal component analysis extraction and varimax rotation. Each predefined construct is deemed valid when there is only one component found within. Then, reliability is tested by using Cronbach's Alpha with >.5 criteria of acceptance [16]. All variables meet the validity and reliability criteria, as shown in Table 4 [15].

Table 4. Goodness of Measure Test Results

Variables	KMO Sampling Adequacy	Bartlett's Test of Sphericity sig.	EFA Factor Loading	Cronbach's Alpha
Personal Capability	.669	.000	69.970	.777
Personal Interest & Preference	.745	.000	67.629	.877
Online Stores' Product Price	.826	.000	58.890	.823
Online Stores Product Quality	.747	.000	83.965	.904
Online Security	.634	.000	62.754	.694
Trust in Online Stores	.839	.000	64.615	.855
Technical Factor	.810	.000	53.459	.823
Social Risk	.778	.000	70.417	.849
Psychological Risk	.589	.000	65.089	.725
Online Purchase Intention of Smartphones	.818	.000	67.268	.878

## 4.3. Regression

The core of this study is multiple regression analysis in order to see how the variables connect as in part 3 of this research (See figure 1). The results, as portrayed in table 5, suggest that five out of the nine independent variables are statistically significant (sig. <0.05). Among those, trust in online stores has the furthest coefficient from zero (.286), while perception towards product quality has the nearest coefficient to zero (.120).

Table 5. Multiple Regression Analysis Result

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.537	.625		-.858	.392		
Personal_Capability	.146	.076	.076	1.924	.055	.896	1.116
Personal_Interest_and_Preference	.136	.058	.141	2.345	.020	.392	2.550
Online_Stores_Product_Price	.245	.063	.174	3.905	.000	.714	1.401
Online_Stores_Product_Quality	.140	.057	.120	2.459	.015	.590	1.696
Online_Security	.215	.055	.179	3.901	.000	.672	1.487
Trust_in_Online_Stores	.392	.070	.286	5.620	.000	.546	1.833
Technical_Factor	-.083	.068	-.067	-1.226	.221	.466	2.146
Social_Risk	-.043	.057	-.037	-.764	.445	.605	1.652
Psychological_Risk	-.062	.056	-.058	-1.106	.270	.522	1.917

$$\begin{aligned} \text{Online Purchase Intention} = & \text{Personal Interest and Preference (.141)} + \text{Online Stores Product Price(.174)} \\ & + \text{Online Stores Product Quality(.120)} + \text{Online Security(.179)} \\ & + \text{Trust in Online Stores(.286)} \end{aligned}$$

In table 5, the collinearity statistics are examined. Tolerance is a measure of collinearity and Variance Inflation Factor (VIF) measures the impact of collinearity among the variables in a regression model. The general rule of thumb is that any Tolerance value lower than 0.10 and VIF that exceeds 10 indicates a potential problem of multicollinearity [16]. Upholding these thresholds, the model seems to have no problem of collinearity.

## 5. DISCUSSION

In order to understand how the suspected factors influence consumers' online purchase intention of smartphones, the study examined the significance and impacts of nine proposed factors on consumer's online purchase intention of smartphones. Respondents came from a wide range of backgrounds and most of them are unmarried women in their mid 20s to 30s years old with a bachelor degree. These respondents are economically-capable of buying smartphones based on their monthly incomes most of which are more than IDR 5,000,000 per month.

All of 307 respondents showed that they are familiar with computers, the internet, and able to use electronic payments reflected in personal capability's mean value (M = 4,5092). It is expected since most respondents are bachelor degree and rather economically-capable thus exposed to technology daily. This finding of H1 is in contrast with findings from a previous research which stated that level of education is not aligned with respondents' capabilities of using computer, internet, and electronic payments [8]. H1 multiple regression showed that H1 is not significant enough (sig = 0,055) to affect online smartphone purchase intention. This finding is also different from previous study whose findings are supporting that a computer's skill is one of the main reasons affecting intention to purchase online [11, 25, 45, 52]. These differences possibly because respondents felt no need to have a specific technology capability in order to purchase a smartphone through an online shop. Most respondents are more than 18 years old and live in Jakarta, a busy capital city, thus relatively familiar with online shopping.

Personal interest and preference (H2) are negatively measured based on questions used to analyse this hypothesis and reserved into positive value before calculated. Thus, a mean value of 2,3967 could be seen as a form of respondents' disagreement to online shopping. Even though respondents are capable of using the internet, respondents showed no interest in shopping for smartphones through online rather than conventional stores. Personal interest and preference also found to be significantly affecting consumer's intention to purchase smartphone online (sig = 0.020) although not critically important (beta = 0,141). This finding of H2 is in accordance with a previous report which stated that buyer's tendency to buy smartphones through online stores is rather low [8].

Respondents agree at some level (M = 3,8059) that smartphone's online price is more beneficial than offline price. Discounts, promotions, ease in comparing prices from one shop to others, and value of money are found to be affecting consumer's intention to purchase smartphone in online shop (sig = 0.000) although standardized coefficient beta stated that H3 is not the most affecting factor (beta = 0.174). In their research, Ariffin et al. (2018) elaborates that consumers found to spend their money with less burden



on online shops than conventional stores due to illusions created by discounts and promotional events [5]. These marketing strategies could be used by online shops to increase their goods sales.

Product's quality in online shops (H4) is tested on negative questions and reversed into positive values before being calculated. Thus, a mean value of 3,6536 interpreted as a form of a rather agreement that a smartphone sold online is in good quality or qualified. Respondents found this construct to be affecting intention to buy ( $\text{sig} = 0,015$ ) even though it is the least affecting ( $\text{beta} = 0,120$ ). Consumers believe that the probability of receiving an under qualified smartphone in online shops is small. This could be perceived as one of the factors relating in consumer's trust to online shops as Bringula (2016) and Ling et al. (2010) found previously, where consumers' perceived quality would affect their intention to do online purchasing [8, 31].

Online shop security (H5) is also negatively tested and reversed before being calculated. It has a mean value of 2,2823 translated into respondents' disagreement that online shops are safe. Respondents feel uncertain to share their personal information especially payment information since it could be possibly hacked or scammed. Lokken et al. (2003), Bhatnagar et al. (2000), Dillon et al. (2014), Swinyard et al. (2003), and Park et al (2013) findings elaborated that if consumers do not feel their personal information secured especially their credit cards, they would not buy online because they felt as if they would possibly getting robbed [7, 12, 33, 38, 47]. The result in this research shows that security is affecting consumer's intention of purchasing smartphones online ( $\text{sig} = 0,000$ ) despite not being the most crucial ( $\text{beta} = 0,179$ ). If consumers found out that the website or online shop ever been hacked, the possibility of consumers using that online shop again would be very low. Thus it is highly recommended for online shops to pay extra attention to security issues.

The most critical and defining factor found to be consumer's trust in online stores (H6) reflected on its beta (0.286) and its significance (0.000). Respondents are mostly contemplating whether to trust online shops or not by a mean value of 3,3336. They highly consider online shop legality, promise of good's conditions, and capability of delivering products on time. These findings are consistent with previous study [56]. Topaloğlu (2012) also stated that the lack of face-to-face interaction might cause trust issues between online shops and buyers [50]. Abadi et al. (2011) reported that the most significant factor influencing purchase intention, regardless of the type of products being sold, is trust [1]. Therefore, it is recommended for online shops to be verified or for platforms to enable customers review the merchants. These features could reassure consumers of online shop legality and service. Kim et al. (2012) also found that the strongest predictor for possible and repeat consumers is perceived trust [26]. The result of H6 corresponds with H2 which stated that consumers have low interest and preference on buying smartphones online especially because smartphones are relatively expensive goods. If customers could not trust an online shop, the probability of them buying a smartphone there is small.

Technical factor (H7) is negatively tested but it is not reserved before calculated. Based on this finding, respondents relatively agree ( $M = 3,8100$ ) that technically online shops are not more convenient than conventional stores. They found that in online shops, it is more difficult to pay, replace defective smartphones, and evaluate the smartphones' design and quality. This aligned with previous study findings which stated that consumers find it easier to replace and compare goods in a mall or conventional stores rather than online [8]. However, multiple regression showed that this factor is insignificant to consumer's intention of purchasing smartphones online ( $\text{sig} = 0,221$ ). Thus, even though they do find purchasing smartphones online is a hassle, it does not affect their intention to buy.

On the other hand, social risk (H8) is perceived to be insignificant to customers' intention of purchasing smartphones online ( $\text{sig} = 0,445$ ). In this paper, social risk discussed the perceived risk resulted from society's influences on the consumer's decision [13]. Apparently, social risk, such as disapproval amongst friends and families around, is preventing consumers from making a purchase [40]. However, results from the respondents ( $M=2,1458$ ) agrees that social risk does not affect their decision to shop online. Social risks issues discussed in this paper are described such as family's acceptance, image of the people surrounding, as well as their own image. The result is in accordance with the previous findings as purchasing online itself has become a common practice, especially after internet connection is available and its mobility has increased [5, 32].

Psychological risk (H9) is perceived to be insignificant to customers' intention of purchasing smartphones ( $\text{sig} = 0,270$ ). Psychological factors in this context were defined as the consumer's dissatisfaction towards the product or services [51]. Psychological factors were measured negatively to understand their negative emotions towards the product. Results showed respondents' agreement that psychological risk factors contribute to their intention of purchasing online (mean=3,0847), but apparently, the result was insignificant, which is aligned with the hypothesis tested by [5]. As such, there is no correlation between psychological risk and purchasing online.

And thus, it is important to understand consumer's purchase intention online as it will aid better forecast of consumer's behavior, especially online purchases has become one of the most popular online activities [22]. Previous studies stated that online purchases are negatively affected by perceived risk [4, 29, 30, 46, 56]. However, only certain risks directly impact the customer's online purchases behavior. Respondents agree that there are factors that affect their online purchase intention (Mean=3,0866). It is proven that factors such as personal interest and preference, online stores product price, product quality, online security and trust in

online stores are the main factors that are considered when purchasing smartphones online. Whereas, personal capability, technical factor, and risks, social and psychological, are insignificant towards the online purchase behavior.

## 6. LIMITATIONS

The restrictions on respondents demographic feature was not a limitation but a part of research design, intended to understand customers' perspective who live in Greater Jakarta, as it is one the most crowded cities in Indonesia and higher exposure towards the internet. Therefore, their obstacles could be assumed as the most critical obstacles. However, respondents mostly came from middle to upper economy-classes and are mostly millennial in their late twenties to mid thirties. Thus, their probability of purchasing online is higher.

## 7. CONCLUSION

The findings of this study suggest that the purchase intention of smartphones in online stores are influenced by five out of nine factors tested; online purchase interest, purchasing, preference, product attributes—such as price and quality—online security, and trust. The research proves that the strongest factor to impact consumers' online purchase intention of smartphones is trust, while the least affecting factor is product quality. This study also confirmed that factors such as personal capability, social risk, and psychological risk do not influence buyers in their purchase intention to buy a smartphone through online shops.

This study provided empirical evidence which factors are influential to smartphone online purchase intention of customers in Jakarta. Therefore, we recommend online shops to be verified and platforms to enable customers publicly review merchants. It is also necessary to have a safe and secure platform to protect user's information. These results would help readers, especially online shops in Greater Jakarta to understand online buyers' perspectives and hopefully improve their business. We encourage future studies to compare customers' satisfaction in buying smartphones through online shops with conventional stores in the Greater Jakarta area to broaden the insights of smartphone vendors and companies in devising their channel strategy.

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