

THE EFFECT OF RISK PERCEPTION AND CUSTOMER EXPERIENCE ON GOPAY PURCHASE INTENTION IN THE MILLENNIAL GEN

Prinshi Rabbiatul Adzawiah¹, Herning Indriastuti²

Fakultas Ekonomi dan Bisnis Universitas Mulawarman, Samarinda

Email: prinshiadzawiah@gmail.com¹ herning.indriastuti@feb.unmul.ac.id²

Abstract: This research aims to examine how perceived risk and customer experience influence the repurchase intention of the millennial generation of GOPAY users. The independent variables in this research are perceived risk and customer experience, while the dependent variable is repurchasing intention. The respondents are millennial Gopay users. This research was conducted on the millennial generation of GOPAY users consisting of 130 respondents. This research is quantitative. Data collection using a questionnaire by testing the perceived risk and customer experience on repurchase interest. Data analysis using PLS (Partial Least Square) analysis technique. The results of this research show that risk perception has a positive and significant effect on the repurchase interest of the millennial generation of GOPAY users and customer experience has a positive and significant effect on the repurchase interest of the millennial generation of GOPAY users.

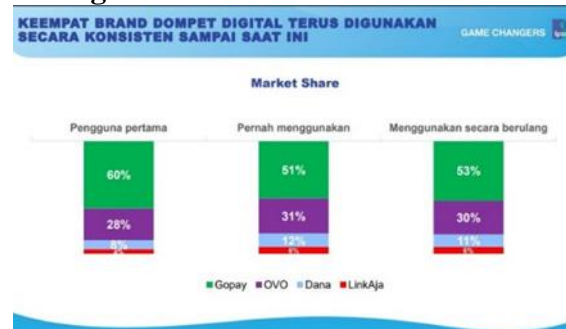
Keywords: *perceived risk, customer experience, repurchase intention, GOPAY users*

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1. Introduction

Financial technology is a financial system that uses technology to generate new business models and products or services, which have an impact on financial system stability, monetary stability and the efficiency, smoothness, security, and reliability of the payment system (Bank Indonesia, 2017). As of February 2021, there are 64 electronic money and wallet providers recorded and have obtained a license from Bank Indonesia. Based on the 2020 accountability report, in December the transaction value grew positively by 1.36% from non-cash payments through ATMs, debit and credit cards and the value of electronic money transactions grew by 30.44% (Bank Indonesia, 2021). In addition, the number of transactions made through digital banks continues to increase, reaching 513.7 million transactions or 41.53%. Total e-commerce transactions increased 19.55% in the third quarter, leading to a total growth of 29.6% in 2020 (Bank Indonesia, 2021).

Figure 1. Market Share 4 e-wallet



Resource : (Ipsos Indonesia, 2020)

GO-PAY (PT Dompot Anak Bangsa) is the name of an e-wallet or electronic wallet presented by GO-JEK to facilitate consumers in making transactions. The research "Evolution of Digital Wallet Industry: Winning Strategies Without Burning Money", it was found that the first users of OVO, DANA, and Link Aja experienced an increase from the first users to users who used repeatedly. The number of GO-PAY transactions is indeed the highest among other digital wallets in Indonesia, but it does not guarantee that users will use it repeatedly.

Repurchase intention is an evaluation made by individuals regarding the possibility of returning to buy the same service from the same company, based on current and possible circumstances (Pasharibu et al., 2018). One of the things that is thought to influence repurchase intention in GOPAY is risk perception. Risk perception is a perceived risk with subjective consumer expectations of loss (Rizkitasari & Nugroho, 2013). This means that all customer actions will have unpredictable consequences. almost certain, and some of them may be unpleasant (Bhukya & Singh, 2015). Apart from risk perception, repurchase interest in GOPAY is also influenced by customer experience. Customer experience is part of attracting loyal customers through a good customer experience, especially in online businesses.

2. Literature Review

Repurchase Intention

Repurchase interest is the real behavior of consumers that causes them to buy the same goods or services repeatedly (Ibzan et al., 2016). Customers repurchase interest in the future can occur with consideration of possible situations and circumstances and is also determined from a sense of satisfaction with the suitability of expectations with the performance of the products and services offered. For every business organization, repurchase interest is important because the costs incurred to maintain customer loyalty are lower than attracting new customers (Tho et al., 2017).

Risk Perception

Petter & Oslon (2013) define that risk perception is the undesirable impact of individuals when buying and using products. In the perspective of technology adoption, it can be interpreted as consumer expectations of the losses obtained when making online payment transactions which also include loss of funds and leakage of personal information (Khan & Abideen, 2023). Risk perception is explained as a form of doubt about the results of decisions that have been made and there are two aspects of the risk concept, namely uncertainty and adverse effects (Tho et al., 2017).

Customer Experience

Customer experience begins when customers interact with goods or services, which results in a reaction (Chandra, 2014). Experiences that occur after using a product or service can cause changes such as trust, satisfaction, and loyalty (Wardaya, 2017). Customer experience is a way for companies to create loyal customers through positive experiences, especially in online businesses (Pasharibu et al., 2018).

Conceptual Framework

The conceptual framework can be seen in the figure below:

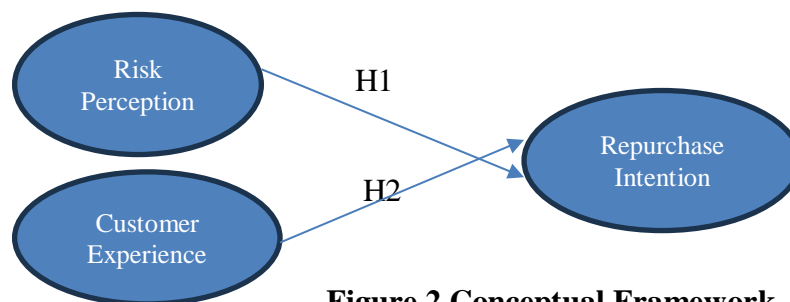


Figure 2 Conceptual Framework
Source: Data Processed (2023)

Based on the theoretical basis that has been presented and the problems described previously as a basis for thinking in retrieving and analyzing data that will be tested, to obtain a temporary answer to the problem, the following hypothesis can be drawn:

- H1:** Perceived risk affects repurchase intention in the millennial generation of GO-PAY users.
H2: Customer experience affects repurchase intention in the millennial generation of GO-PAY users.

3. Research Method

Table 1. Variables dan Indicators

Variables	Indicators
Repurchase Intention	1. <i>Attention</i> 2. <i>Interest</i> 3. <i>Desire</i> 4. <i>Conviction</i>
Risk Perception	1. Psychological risk 2. Financial risk 3. Privacy risk 4. Device/technology risk
Customer Experience	1. <i>Sense (sensory experience)</i> 2. <i>Feel (emotional experience)</i> 3. <i>Think (cognitive experience)</i> 4. <i>Act (physical experience)</i> 5. <i>Relate (social experience)</i>

This research uses a quantitative approach method. In analysing the data the authors used analysis using the Partial Least Square (PLS) method. The analysis tool uses the help of the SmartPLS software program version 4.0.8.4 which consists of evaluating the outer model and

inner model. The data collected using a questionnaire or questionnaire technique with closed and open formats. Measurement is carried out through the questions in the questionnaire with the measurement indicators in the table. The research scale used in this study is Likert scale measurement which starts from Strongly Disagree (STS) to Strongly Agree (SS).

Population and Sample

In this study, the population is not clearly known, considering that the data needed to determine the population of GOPAY users in the GO-JEK application in Samarinda is not available. This study uses a non-probability sampling technique with a purposive sampling method. The research sample describes the population as follows: millennial generation of GOPAY users in the GO-JEK application aged 23-43 years, millennial generation of GOPAY users in the GO-JEK application at least once in the last 3 months. Hair et al. (2014) state that the sample size can be measured on a scale of 5-10. In this study, there are 13 indicators so that the number of samples used is $13 \times 10 = 130$ samples.

4. Results and Discussion

4.1. Results

Descriptive Analysis

The description of this research subject consists of composition based on gender, age, occupation, income and frequency of use. The majority of users are female as many as 74(56.9%). The majority of users aged between 23-26 years old totalled 106(81.5%). The majority of users who are private employees are 56(43.1%,). The majority of users' income is Rp 2,500,000 - 5,000,000 amounting to 64(49.2%). The majority of users with a frequency of use of 1 - 3 times totalled 53 (40.8%).

Evaluation of the measurement model (outer model)

Convergent Validity

Table 2. Outer Loading

Variables	Indicators	Outer Loading	Description
Repurchase Intention	Y1.1	0.721	Valid
	Y1.2	0.713	Valid
	Y1.3	0.769	Valid
	Y1.4	0.706	Valid
Risk Perception	X1.1	0.849	Valid
	X1.2	0.796	Valid
	X1.3	0.829	Valid
	X1.4	0.848	Valid
<i>Customer Experience</i>	X2.1	0.729	Valid
	X2.2	0.857	Valid
	X3.3	0.821	Valid
	X4.4	0.874	Valid
	X5.5	0.882	Valid

Source: Data processed with SmartPLS4,2023

Based on the table above, it is known that the outer loading value produced by each indicator is more than 0.7. Thus, these indicators are declared valid as a measure of latent variables.

Discriminant Validity

Tabel 3. Cross Loading

Indikator	X1	X2	Y1
X1.1	0.721	0.226	0.248
X1.2	0.713	0.197	0.283
X1.3	0.769	0.258	0.291
X1.4	0.706	0.140	0.134
X2.1	0.232	0.849	0.637
X2.2	0.165	0.796	0.583
X2.3	0.255	0.829	0.633
X2.4	0.224	0.848	0.618
X2.5	0.312	0.729	0.616
Y1.1	0.369	0.652	0.857
Y1.2	0.212	0.602	0.821
Y1.3	0.268	0.683	0.874
Y1.4	0.343	0.678	0.882

Source: Data processed with SmartPLS4,2023

From the table of analysis results above, it can be seen that the construct correlation of each latent variable with its indicator is greater than that of other latent variables, so that all indicators are proven to be valid as construct measures.

Average Variance Extracted (AVE)

Tabel 4. Average Variance Extracted (AVE)

Variable	AVE	Description
Risk Perception (X1)	0.530	Valid
<i>Customer Experience</i> (X2)	0.658	Valid
Repurchase Intention (Y1)	0.737	Valid

Source: Data processed with SmartPLS4,2023

The test results showed that the AVE value on all constructs was greater than 0.50 and on the individual characteristics variable, the moderate AVE value greater than 0.50 was said to be valid, so that all convergent validity constructs were considered fulfilled.

Reliability Test

Table 5. Reliability Test

Variable	<i>Cronbach's Alpha</i>	Composit Reliability	Description
Risk Perception (X1)	0.714	0.711	Reliable
<i>Customer Experience</i> (X2)	0.869	0.870	Reliable
Repurchase Intention (Y1)	0.881	0.884	Reliable

Source: Data processed with SmartPLS4,2023

The output results of composite reliability and Cronbach's Alpha all have values above 0.70. Thus, it can be stated that all latent variables have a good level of reliability.

Evaluation Results (Inner Model)

Table 6. R-Square

Variabel	R Square
Repurchase Intention (Y1)	0.599

Source: Data processed with SmartPLS4, 2023

The table above illustrates the R-Square value of the repurchase intention variable (Y1) of 0.599. Therefore, it can be concluded that the repurchase intention variable (Y1) can be explained by the risk perception variable (X1) and the customer experience variable (X2) by 59.9% and the remaining 41.1% is influenced by other variables outside the study.

Thus, Q2 predictive relevance for the structural model can be calculated as follows:

$$Q2 = 1 - (1 - R21)$$

$$Q2 = 1 - (1 - 0.599)$$

$$Q2 = 1 - (0.401)$$

$$Q2 = 0.599$$

Hypothesis Testing

Table 7. Path Coefficient

Variable Effect		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistik (IO/STDEV)	P Value
Exogen	Endogen					
X1	Y1	0.137	0.149	0.050	2.716	0.007
X2	Y1	0.722	0.719	0.049	14.814	0.000

Source: Data processed with SmartPLS4, 2023

Results of data processing analysis, it is concluded that risk perception has a positive and significant effect on the repurchase intention of the millennial generation of GOPAY users in Samarinda. This is evidenced by the effect of risk perception on repurchase intention through the path coefficient value of 0.137, t-statistic of 2.716 and p value of 0.007. This value is greater than the t table (1.96) and p value <0.05. Thus, this shows that Hypothesis 1 is accepted.

Results of data processing analysis, it can be concluded that customer experience has a positive and significant influence on the repurchase intention of the millennial generation of GOPAY users. This is evidenced by the effect of customer experience on repurchase intention through the path coefficient value of 0.748, t-statistic of 17,700 and p value of 0.000. This value is greater than the t table (1.96) and p value <0.05. Thus, this shows that Hypothesis 2 is accepted.

4.2 Discussion

The results of the analysis show that risk perception has a positive and significant influence on repurchase intention in millennial generation GOPAY users, which means that the higher the perceived risk perception, the higher the fear felt by users towards repurchase interest which results in low repurchase interest. The highest or dominating indicator is privacy risk and the lowest indicator is the technology / device indicator. This is in line with research by Hasan & Pattikawa, (2022), Rahayu & Harris, (2016) and Hieronanda & Nugraha, (2021) who say that the number of risks that exist affects repurchase because when they get the right goods according to what is marketed and desired, then they will make repurchase interest. Benazić et

al., (2015) say that risk perception plays a role in building trust in online transactions so that it affects the level of customer repurchase interest.

The results of the analysis show that customer experience has a positive and significant influence on the repurchase intention of the millennial generation of GOPAY users, which means that the higher or better the customer experience felt, the higher the user's repurchase intention. The highest or dominating indicator is sense (sensory experience) and the lowest indicator is the relate indicator (social experience). This is in line with research conducted by Pasharibu et al., (2018) where it was found that customer experience either conventionally or online reflects how users want to transact again. Similar results also prove the strength of this repurchase interest depends on the customer experience (Amoako et al., 2021).

5. Conclusion

Based on the results of the analysis, discussion and conclusions that have been presented, the following are some things that can be used as suggestions, namely: (1) Based on the responses from the open questionnaire, it is found that the perception of risk felt by users that affects the interest in transacting again using GOPAY, mostly occurs in the risk of failed transactions that occur which makes users need more time to arrange transactions again.

This is an input for GOPAY to be able to continue to upgrade the loading time when using GOPAY. (2) Based on the responses from the open questionnaire from the customer experience variable, there are two indicators that have the highest value, namely act (physical experience) and sense (sensory experience). To improve positive user experience, GOPAY is expected to maintain GOPAY's attractive, simple, and easy-to-use appearance. In addition, GOPAY services that follow a digitized lifestyle should be maintained and developed. (3) Based on the responses from the open questionnaire, there are difficulties in contacting the customer center to complain about problems and even if they can be contacted, the customer center often takes a long time to process so that users just give up and do not continue their complaints. This is an input for GOPAY to be able to improve good communication with users from comments on complaints and difficulties in using the application. (4) Future researchers can add other variables that have the possibility of influencing user interest in reusing GOPAY, such as technological innovation variables, perceived benefits and so on.

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