

Original Research Article

Analysis of the Effect of Perceived Value on Purchasing Decision Users of Ovo Applications through Consumer Trust (Case Study of Fanā Coffee Malang Customers)

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Abstract: This study aims to describe the effect of perceived value on Purchasing decisions through consumer trust in OVO application users using a case study of Fanā Coffee Malang customers. The sample of this research is 80 customers who use the OVO application to make payment transactions. The analysis technique uses path analysis and questionnaire distribution data collected via a google form. The analysis results show that purchasing decisions are shaped by stability in buying, buying habits, and speed in buying. The main thing that shapes Purchasing decisions is the speed in buying, which is the easiest to find compared to other similar services. Perceived value influences purchasing decisions. This means that the higher the perceived value given, the higher the purchase decision. Consumer confidence results in purchasing decisions. This means that higher consumer confidence can improve Purchasing decisions. Perceived value influences Purchasing decisions through consumer trust, meaning that Purchasing decisions will increase if they provide a good perception of value and can increase consumer confidence.

Keywords: Perceived Value, Purchase Decision, Customer Trust.

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I. INTRODUCTION

Coronavirus Disease or Covid-19 is a virus that occurs and has infected the whole world, including Indonesia. In response to the Covid-19 pandemic, the Government imposed new regulations in Government Regulation Number 21 of 2020 regarding Large-Scale Social Restrictions (PSBB) in the Context of Accelerating Handling of Corona Virus Disease 2019 (Covid-19). The negative impact caused by the Covid-19 pandemic does affect not only the health sector but also the economic sector. Many businesses experienced drastic declines in revenue and went bankrupt due to reduced customer traffic.

At the beginning of the implementation of the PSBB, the public still felt difficulties with the changes that occurred, especially in terms of adjusting payment activities which were usually carried out directly. As time goes by, society responds to the economic impact of transitioning to technological media to survive. Gao and Shi (2020) show an increasing trend of buying food online during the Covid-19 pandemic. Abdelrhim and Elsayed (2020) found that E-commerce saw positive daily profits and significant revenue growth.

The technological transition has also occurred in the payment methods used by the Indonesian people. Paper money is one of the transmission media for viruses due to hand-to-hand interaction (Angelakis *et al.*, 2014). In this case, technology provides an alternative solution to minimize the transmission of bacteria and viruses that are spread through the media of banknotes or coins. In Indonesia, such technology is e-money. They were supported by the increasing number of partners from e-money companies with various MSMEs providing flexibility in the use of digital payments in the community and indirectly suppressing digital money in their daily lives. These conditions tend to favor the public, especially in conditions of social restrictions imposed by the Government against the current pandemic situation. Because digital money makes it easier for people to make transactions using only their cellphones. One of the glaring e-money that dominates the current e-money market share is OVO, which is 20% (Bank Indonesia, 2020).

OVO is a digital payment tool that ranks first on the Play Store as the best financial application. This makes OVO widely used among the wider community,

especially in Indonesia (Anwar *et al.*, 2019). In 2019, OVO's user base grew by more than 400% to 460,000 users. Until 2020, OVO users reached 81.4% of the total e-money users in Indonesia. Therefore, OVO can help hamper the trade process and affect the middle to lower level economy so that it can be overcome. Of course, this cannot be separated from public trust in its use, especially if this happens to people who have never done online transactions before. Of course, there will be many different opinions regarding security in online transactions and the services available on OVO. Fana Coffee Malang is one of the culinary locations that support digital payments with OVO. Based on the background explanation, the researcher is interested in conducting an Analysis of the Effect of Perceived Value on the Purchasing decision of OVO Application Users through Consumer Trust.

II. LITERATURE REVIEW

A consumer's purchasing decision is the point at which he has the freedom to choose and is willing to buy or trade money in exchange for ownership or use of a product or service. The purchasing decision is a problem-solving process that involves assessing or defining demands and the desire to maintain them after purchase (Kotler, 2012: 5). The factors that influence the purchasing decision are: 1) cultural factors; 2) social factors consisting of reference groups, family, roles, and social status. 3) Personal factors consisting of age and life cycle stage, occupation, lifestyle, and personality; 4) Psychological factors. In addition, according to Kotler (2012: 50), three indicators are used to assess purchasing decisions, namely: 1) Stability of a product;

An understanding of perceived value begins with understanding the definition of perception itself. Perception can be understood as a process carried out by an individual in selecting, classifying, and

interpreting input information about the world received to create a meaningful picture (Kotler, 2012: 44). According to Dodds *et al.* (1991:316), perceived value is a cognitive exchange between perceived quality and the customer's overall assessment of the utility of a product or service based on what is received and supplied. In more detail, the perception of value is divided into (Zeithaml, 1988:14): 1) Value is a low price; 2) Value is everything that consumers want from the product; 3) Value is the quality that consumers get from the price paid and 4) Value is what consumers get from what they give. Sweeney and Soutar (2001) revealed that the dimensions of perceived value consist of four types, namely: 1) Emotional value; 2) Social values; 3) Value quality or performance, and 4) Value for money.

Consumer Trust comes from the knowledge possessed by these consumers, which leads to consumer conclusions about attributes, objects, and benefits (Mowen and Minor, 2012: 90). Consumer Trust is a form of customer confidence in product or service providers to carry out transactions following the agreement with consumers (Kim and Park, 2012). Ling, Chai, and Piew (2010) mention three indicators to measure Consumer Trust on digital platforms, namely: 1) Security, 2) Perception, 3) Reliability.

In this study, using four hypotheses, namely 1) Perceived value (X1) has a positive effect on Consumer Trust (Y1); 2) Perceived value (X1) has a positive effect on Purchasing decision (Y2). 3) Consumer Trust (Y1) has a positive effect on Purchasing decisions (Y2). And 4) Perceived value (X1) has a positive effect on Purchasing decision (Y2) through Consumer Trust (Y1). From this hypothesis, a conceptual framework is formed, as shown in Figure 1 below:

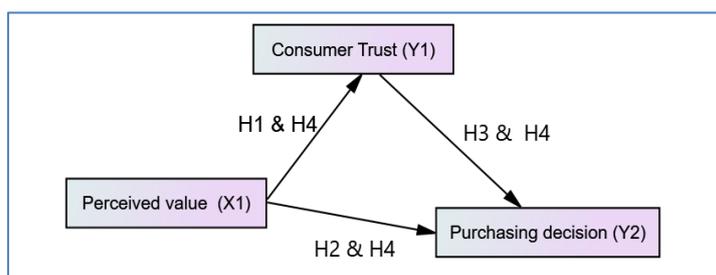


Fig-1: Research Conceptual Framework

III. RESEARCH METHODS

This study uses a quantitative descriptive method. The process starts from preparing theoretical models and analysis as the basis for asking quick questions (hypotheses) and then operationalizing the concept to the conclusion of the search results. This study is to see the effect of perceived value on purchasing decisions of OVO application users through the Consumer Trust of Fana Coffee Malang customers.

This study uses three variables, namely Perceived value (X1) as an exogenous variable; Consumer Trust (Y1) as a mediating variable, and Purchasing decision (Y2) as an endogenous variable. Then, this study uses primary data collected directly from respondents through a questionnaire that includes an assessment with a Likert scale on perceived value, Consumer Trust, and Purchasing decisions. Below is a table regarding the variables, indicators, and number of instruments:

Table-1: Variables, Indicators, and Instruments

| Variables and Indicators | Number of Instruments |
|---------------------------------|-----------------------|
| Perceived value (X1) | |
| 1) Emotional value | 6 |
| 2) Social value | 4 |
| 3) Value quality or performance | 5 |
| 4) Value for money | 3 |
| Consumer Trust (Y1) | |
| 1) Security | 3 |
| 2) Privacy | 3 |
| 3) Reliability | 3 |
| Purchasing decision(Y2) | |
| 1) Stability in buying | 2 |
| 2) Habit in buying | 1 |
| 3) Speed in buying | 1 |
| Totals | 31 |

In testing the instrument, this study uses validity and reliability tests. The population and samples in this study were all Fana Coffee Malang customers who met the following characteristics of research respondents: a) OVO Application Customers; b) Fana Coffee Malang customers and have/often made payments through the OVO application and c) Information about OVO application transactions and WhatsApp numbers have been recorded in the database as Fana Coffee Malang customers. Information obtained from the marketing database at Fana Coffee Malang in 2021 was recorded at 80 people as active customers who always pay through the OVO application. The analysis technique used is descriptive statistics; classical assumption test consisting of normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. Then to test the hypothesis using linear regression.

IV. RESEARCH RESULT

Fana Coffee is a coffee shop located on Jalan Bunga Songgolangit, tulusrejo, Lowokwaru sub-district, Malang city. Othavian founded fanā Coffee on October 12, 2018. Currently, Fanā Coffee is widely known by many people, with a turnover of around 108,000,000 per year. This is because Fanā Coffee always maintains its quality and has its uniqueness. The results of distributing questionnaires to visitors to Fanā Coffee Malang can be obtained regarding the characteristics of the people interviewed as samples in this study. Respondents who meet the criteria are OVO application users who transact at Fanā Coffee Malang. The elements or demographic data of respondents used in this study are genders, age, and monthly income, as shown in Table 2 below:

Table-2: Profile of Respondents

| Gender | Percentage (%) |
|---------------------------|----------------|
| Man | 32.5 |
| Woman | 67.5 |
| Age | Percentage (%) |
| 17 – 20 Years | 26.3 |
| 21 – 24 Years | 45 |
| 25 – 28 Years | 21.2 |
| 29 – 31 Years | 6.2 |
| > 32 Years | 1.3 |
| The income per month (Rp) | Percentage (%) |
| < 1,000,000 | 18.7 |
| 1,000,001 – 2,000,000 | 23.8 |
| 2,000,001 – 3,000,000 | 40 |
| 3,000,001 – 4,000,000 | 10 |
| > 4,000,001 | 7.5 |

Based on the table above, it can be seen that the majority of respondents from Fanā Coffee Malang customers who make transactions using the OVO application are women with an age range of 21-24 years who have an income of 2 million to 3 million per month.

This study was tested using the SPSS application, thinking about three variables: perceived value, consumer trust, and purchasing decisions with ten indicators and 31 instruments. The sample used was 80 respondents. From the results of the questionnaire, the instrument was tested using validity and reliability

tests. From the validity test results, the r-value of the product-moment table is $\alpha = 0.05$ and $n = 80$ is 0.1829. Based on data processing, the positive correlation coefficient value of all items $> r$ table, and the probability $< \alpha = 5\%$, which indicates a significant relationship between the scores of each statement item and the total score. A significant correlation shows that the statement items can be used to measure the measured variables and that the tools used are quite

effective for research. Then on the reliability test results, the Cronbach Alpha coefficient for the Perceived value (X1), Consumer Trust (Y1), and Purchasing decision (Y2) variables are all greater than 0.60, which shows that the research statement instrument used in this study can be trusted. Or reliable. So that the tested instrument is appropriate for further processing.

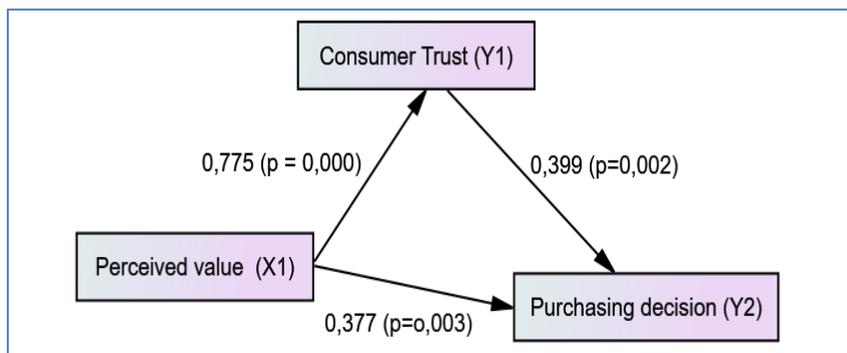


Fig-2: Path Analysis Results

Based on Figure 2 above, all hypotheses are accepted. The first hypothesis, the coefficient value of the perceived value obtained is 0.775; the t-value is 0.775, and the p-value (sig) is $0.000 < 0.05$, which means that Consumer Trust is influenced by perceived value. Then the second hypothesis, the coefficient value of the perceived value obtained is 0.377; the t-value is 3.068, and the p-value (sig) is $0.003 < 0.05$, meaning that the perceived value affects the purchasing decision. The third hypothesis, the Consumer Trust coefficient is 0.399; the t-value is 3.249, and the p-value (sig) is

0.002, which is < 0.05 . This shows that Consumer Trust influences purchasing decisions. For the fourth hypothesis, the perceived value directly affects the Purchasing decision of 0.399, and the perceived influence on the Purchasing decision through Consumer Trust has a total value of 0.691. Therefore, as an intervention variable, Consumer Trust can change the perceived value of the Purchasing decision. Thus accepting the fourth hypothesis, that perceived value affects purchasing decisions through Consumer Trust. More details can be seen in Table 3 below:

Table-3: Recapitulation of Path Analysis Results

| Variable | Direct Influence | Sig. | Indirect Influence | Total Influence | Results |
|--|------------------|-------|------------------------------|-----------------|-------------|
| Perceived value → Consumer Trust | 0.775 | 0.000 | - | - | H1 accepted |
| Perceived value → Purchase decision | 0.377 | 0.003 | - | - | H2 accepted |
| Consumer Trust → Purchase Decision | 0.399 | 0.002 | - | - | H3 accepted |
| Perceived value → Consumer Trust → Purchase Decision | 0.399 | | $0.775 \times 0.377 = 0.292$ | 0.691 | H4 accepted |

Based on Table 3 above, the perceived value variable has a total effect on purchasing decisions (0.691), more significant than the direct effect (0.399). Because the real value is greater than the immediate impact value, trust has status as an intervening variable between perceived value and purchasing decision

V. DISCUSSION

The perceived value affects customer trust, meaning that the greater the perceived value of consumers towards OVO services, the greater the

customer trust in transacting using OVO services. The use of OVO as an alternative solution to minimize the transmission of bacteria and the Covid 19 virus that is spread through the media of banknotes or coins minimizes miscalculation due to human error, and OVO provides safe services and maintains the privacy of its users so that consumers do not worry about their personal information. Mosavi and Ghaedi (2012), in their research examining the effect of perceived value on Consumer Trust through customer satisfaction, found that there is an effect of perceived value on trust.

The perceived value affects the purchasing decision, meaning that the greater the perceived value of consumers towards OVO services, the greater the purchasing decision to transact using OVO services. Chi, Yeh, and Tsai (2011) state that when consumers buy products, consumers will make comparisons, and the higher the perceived value of a product or service, the higher the purchase intention. OVO provides safe services and maintains the privacy of its users so that consumers do not worry about their personal information. In addition, other benefits such as discounted prices are added value to consumer confidence to use OVO services in transactions.

Consumer Trust influences purchasing decisions, meaning that the higher the Consumer Trust for OVO services, the higher the purchasing decisions or customer decisions to transact using OVO services. According to Kim and Park (2012), Consumer Trust is a form of customer confidence in product or service providers to conduct transactions following the agreement with consumers. The main goal is a purchase or commerce from a customer, therefore building Consumer Trust is very important. From here, the company can continue to improve customer reliability, privacy, and security to earn Consumer Trust. The results of this study are consistent and in line with previous research by Rachbini (2018),

The effect of perceived value on purchasing decisions through Consumer Trust, meaning that perceived value can increase purchasing decisions on OVO services if supported by Consumer Trust. If a product provides a good perceived value, it will increase Consumer Trust for the development, allowing consumers to make purchasing decisions. Good perceived value is when users get more benefits than the value or price spent to get the product service. Therefore, companies need to be able to provide more value for users. Good perceived value will be obtained by consumers when the company offers good and quality services to be able to give a good impression.

VI. CONCLUSION AND RECOMMENDATION

Based on the research conducted, it can be concluded that 1) perceived value influences Consumer Trust. This means that the higher OVO gives the perceived value, can increase Consumer Trust is. 2) perceived value influences purchasing decisions. This means that the higher perceived value given by OVO can increase purchasing decisions or transactions using OVO application services. 3) Consumer Trust influences purchasing decisions. This means that the higher customer trust in OVO can improve purchasing decisions or, in this case, transactions using OVO application services. 4) perceived value influences purchasing decisions through Consumer Trust,

Based on the findings in this study, the authors provide suggestions or input to several parties. The

author suggests that OVO companies are expected to be able to maintain and increase the value of their services related to perceived value, in this case, the value of emotional, social, quality, or performance, and value for money so that customers continue to believe and continue to make purchases or transact using OVO services compared to other similar services. Then for further researchers who will research the same topic, it is hoped that they can choose different types of research objects to find out how the influence of perceived value, Consumer Trust, and purchasing decisions on other things or fields.

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Appendix

1. The result test of Validity, Reliability and Instrument Descriptive

| Variables and Indicators | Items | Correlation coefficient | Reliability | Average |
|-------------------------------|-------|-------------------------|-------------|---------|
| Perceived value (X1) | | | 0.913 | 3.91 |
| Emotion Value | X1.1 | 0.497 | | 3.96 |
| | X1.2 | 0.610 | | 3.8 |
| | X1.3 | 0.545 | | 3.8 |
| | X1.4 | 0.602 | | 3.78 |
| | X1.5 | 0.481 | | 3.62 |
| | X1.6 | 0.738 | | 3.73 |
| Social Value | X1.7 | 0.768 | | 3.63 |
| | X1.8 | 0.777 | | 3.68 |
| | X1.9 | 0.742 | | 3.6 |
| | X1.10 | 0.696 | | 3.81 |
| Value Quality or Performance | X1.11 | 0.779 | | 3.67 |
| | X1.12 | 0.632 | | 4.5 |
| | X1.13 | 0.634 | | 4.35 |
| | X1.14 | 0.697 | | 4.31 |
| | X1.15 | 0.698 | | 4.46 |
| Value For Money | X1.16 | 0.545 | | 3.54 |
| | X1.17 | 0.579 | | 4.12 |
| | X1.18 | 0.503 | | 4.06 |
| Consumer Trust(Y1) | | | 0.839 | 4.00 |
| Security | Y1.1 | 0.632 | | 4.34 |
| | Y1.2 | 0.750 | | 3.59 |
| | Y1.3 | 0.727 | | 3.22 |
| Privacy | Y1.4 | 0.658 | | 3.55 |
| | Y1.5 | 0.752 | | 3.53 |
| | Y1.6 | 0.649 | | 4.5 |
| Reliability | Y1.7 | 0.733 | | 4.41 |
| | Y1.8 | 0.643 | | 4.35 |
| | Y1.9 | 0.483 | | 4.55 |
| Purchase Decision (Y2) | | | 0.869 | 4.37 |
| Stability in Buying | Y2.1 | 0.824 | | 4.38 |
| | Y2.2 | 0.902 | | 4.34 |
| Buying Habits | Y2.3 | 0.881 | | 4.28 |
| Speed in Buying | Y2.4 | 0.781 | | 4.49 |

2. Variables, Indicators and Instruments

| No | Variable | Indicator | Instrument |
|----|--------------------------|---------------------------------|--|
| 1 | Perceived value (X1) | 1) Emotional value | consumers feel relaxed when using OVO services consumers feel comfortable when using OVO services Using OVO services is fun Using OVO services gives consumers pleasure Using OVO service is interesting OVO service makes consumers want to use it |
| | | 2) Social value | Using OVO services makes consumers feel accepted by others Using OVO services makes a good impression on others Using OVO services gives consumers social approval Using OVO services increases other people's perceptions of consumers. |
| | | 3) Value quality or performance | OVO service is reliable OVO service has good function OVO service is well provided OVO services meet consumer needs well OVO services offer consistent service quality |
| | | 4) Value for money | Good OVO service or according to the cost OVO service is affordable The cost of using OVO services is economical |
| 2 | Consumer Trust (Y1) | 1) Security | This OVO service is trustworthy and honest Compared to other services, OVO is safe and reliable. OVO will not behave opportunistically (eg illegally earning money) |
| | | 2) Privacy | OVO offers secure personal privacy It is thought that OVO holds the best interests of consumers. OVO always keeps its promises and obligations |
| | | 3) Reliability | Information on OVO is abundant and quality and adequate Reliable OVO infrastructure OVO performance meets consumer expectations |
| 3 | Purchasing decision(Y 2) | 1) Stability in buying | Consumers use OVO services because they are sure of good product quality Consumers prefer OVO services over other services after getting information from friends/family/neighbors/sellers |
| | | 2) Habit in buying | Consumers usually reuse services from OVO |
| | | 3) Speed in buying | Consumers prefer OVO services compared to other services because OVO is the easiest to find |

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