# Elucidating drivers repurchase intention in the e-market place through the lens of online trust-building mechanisms

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**Commented [u1]:** The authors should NOT write "Investigation on ..." in the title because all articles are research --> *We have changed the title to meet the journal requirement.*

**Commented [u2]:** Guidelines: After the names of the authors, there should be written their academic degree and academic rank, places of work (university, academic institution, etc. or the organization to which they belong) (Affiliation), city and country. If the name of city or country is already used as author's affiliation still both the city and the country should be indicated --> done

## Abstract

Despite its high internet usage, Indonesia has low e-commerce transactions. Since the e-marketplace has more opportunistic vendors than single-merchant online storefronts, trust is a big issue. For fraud and uncertainty reduction, e-marketplaces should manage their online trust-based methods to eliminate ambiguity and build trust. Despite many studies on online trust-based mechanisms, most focus on initial purchase intention. This study examines e-repurchase intention on Lazada Indonesia, an e-marketplace with declining traffic and sales. This study uses the perceived usefulness of institutional-based mechanisms (PUIBM), the perceived usefulness of seller-based mechanisms (PUSBM), and the perceived usefulness of experience-based mechanisms (PUEBM)—to examine how trust in the e-market and e-seller affect e-marketplace repurchase intention. This quantitative study includes 231 Lazada Indonesia customers from the past three months which furthered statistical analyzed with Partial Least Squares Structural Equation Modeling (PLS-SEM). The finding of the study showed that PUIBM and PUSBM significantly enhance trust in the e-marketplace. In term of trust in the online seller, only PUSBM that has significant effect, while the PUEBM has no effect. This study also indicated that e-marketplace repurchase intention is strongly influenced by e-seller trust. The study found that e-marketplace trust negatively moderates the link between e-seller trust and repurchase intention. Thus, e-marketplace trust can replace e-seller trust in customer repurchase intentions.

**Commented [u3]:** Comment: This fragment in the abstract should be significantly shortened and written out more clearly, without repetition - "Indonesia's e-commerce industry is developing with internet users. Despite Indonesia's large internet user base, e-commerce transactions are still low compared to other Asia Pacific nations. In the e-marketplace, buyers are more vulnerable to opportunistic sellers than in single-merchant online stores. Therefore, e-marketplaces should construct online trust-based methods to eliminate ambiguity and build trust to reduce these fraudulent practices. Despite many studies on online trust-based mechanisms, most focus on initial purchase intention". --> The abstract has been shortened.

**Commented [u4]:** Comment: The result in the abstract is not presented concretely enough --> We have revised the abstract

**Keywords**: e-trust, perceived usefulness of institutional-based mechanisms, perceived usefulness of seller-based mechanisms, perceived usefulness of experience-based mechanisms, e-commerce, repurchase decision

**JEL Classification:** M15, M31, O32

## INTRODUCTION

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One of the world's largest internet nations, Indonesia has 196.7 million users in Q2 2020 (Hidayat et al., 2021). Indonesia's GMV was US$ 27 million in 2018 and is expected to reach 124 billion by 2025 (Ha & Chuah, 2023). Unfortunately, Indonesian internet users aren't enough for e-commerce with e-commerce transaction value in 2019 was only 3% of total retail, below the Asia-Pacific average (Ariansyah et al., 2021). These variables make Indonesia an attractive digital economy research subject, especially for e-commerce (Hidayat et al., 2021; Mudjahidin et al., 2021).

This study looks at Lazada, one of the major online marketplaces in Southeast Asia. Lazada led Indonesian e-commerce from 2014 to 2017 after debuting in 2012 (Iprice.co.id., 2017). Nevertheless, from 2018 to the second quarter of 2022, Lazada Indonesia received fewer visitors, ranking third, lag behind Tokopedia and Shopee (Iprice.co.id., 2022).

E-commerce platforms have some challenges to encourage repeat purchases from the existing shoppers to increase revenues (Martin et al., 2015). However, it can be challenging to retain customers in virtual marketplaces where they are unable to see, touch, or feel goods or services (Liu & Tang, 2018; Wandoko et al., 2017). E-marketplaces are vulnerable to cybercrime due to online transactions (Hong & Cho, 2011; Mou et al., 2017). This increases ambiguity regarding product quality or monitoring of the information transaction process in online buying environments (Liu & Tang, 2018; Wandoko et al., 2017) that will lead to consumers considering repurchase decision in the e-marketplace.

Due to the limited online repurchase decision study, this research should help explain Indonesian e-marketplace consumers' behavior. An e-marketplace repurchase intention study can help the owner understand what makes customers buy again and enhance their service and policy to enhance their business sustainability.

## 1. LITERATURE REVIEW

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The digital transformation facilitates commercial transactions and allow companies to develop direct interaction with customers. By eliminating the need for sellers to operate physical retail stores, e-commerce can speed up transaction procedures and save operational costs (Lukito & Ikhsan, 2020).

Customers are more transient and can switch competitors quickly and affordably as a result of increased information availability (Gordini & Veglio, 2017; Martin et al., 2015).

Online repurchase intention is important for business owners since it indicates future revenue, profits, and business sustainability (Cuong, 2023). E-commerce has a higher cost of acquiring a new buyer than conventional outlets, but returning consumers spend more; therefore, profitability rises quicker if a seller-customer connection is established (Bao, Li, Shen, & Hou, 2016). With repurchase intention, a customer opts to continue with a brand to buy something, ignoring other choices (Trivedi & Yadav, 2018). Chiu et al. (2009) defines online repurchase intention as a person's personal likelihood of continuing to buy products from an online seller or retailer in the future endeavors. Hence, the repurchases or loyalty of customers is crucial for the growth and sustainability of online retailers. Thus, scholars and practitioners must prioritize internet consumer post-purchase behavior. The procedures and reasons that keep people buying have received little scholarly study (Chen, 2012 Liu & Tang, 2018).

Nevertheless, Sullivan & Kim (2018) found that online consumer loyalty is tougher and more significant than offline customer loyalty. After a customer has initially visited a certain e-marketplace, the e-retailer faces the endeavor of enticing that customer to make a repeat purchase on the same platform (Trivedi & Yadav, 2018). In the unstable and opportunistic internet marketplaces, trust is the most important value (Pavlou & Gefen, 2004) and become the primary cause of customer reluctance to engage in online commerce. Customers are frequently exposed to the danger of obtaining goods that do not adhere to the order (Hong & Cho, 2011;Kim et al., 2008). Thus, online purchases might give online buyers a sensation of inadequacy. In times of uncertainty, online trust can help mitigate some dangers that online customers may encounter (Ilhamalimy & Ali, 2021). Consumers who are unsure of internet sellers tend to avoid making online purchases (Farivar et al., 2017). Therefore, online businesses must adapt their strategy to fulfill customer needs and trust (Lukito & Ikhsan, 2020; Sullivan & Kim, 2018) to build customer loyalty.

Trust is a major role in buying decisions (Lăzăroiu et al., 2020) and becomes a tool to assess one's relationship with another person who will perform specified transactions in an unpredictable environment (Ba & Pavlou, 2002). Trust is an important factor in the e-commerce business because it helps keep things clear by letting buyers personally get rid of online sellers' actions that they don't want to comprehend (Sullivan & Kim, 2018). Thus, online trust is essential to electronic transactions because online commerce is unpredictable (Kim & Ahn, 2007; Wang et al., 2022; Wei et al., 2019),

and it is regarded as a necessary component of electronic transactions (Ke et al., 2016; Sullivan & Kim, 2018; L. Zhang et al., 2023).

Online merchants can employ a variety of trust-building techniques, all of which can be thoroughly investigated using Zucker's (1986) framework for trust production. There are three strategies for building trust which is based on traits, procedures, and establishments. More precisely, trust-building techniques were selected because they can offer signals to establish a buyer's first confidence in an online vendor in situations when the buyer does not have a positive relationship or reliable information about the supplier (Chang et al., 2013; Chang & Cheung, 2005).

To minimize uncertainties and foster trust in the e-commerce businesses, e-sellers and e-marketplaces (as the third-party) use online trust-building mechanisms (Chang et al., 2013; Hong & Cho, 2011; Ke et al., 2016; Tikhomirova & Chuanmin, 2019), include review, comments and feedback customers regarding the credibility of an e-marketplace or e-seller, product ratings or evaluations, third-party escrow assistance, and payment method guarantees to attract more customers (Liu & Tang, 2018). The digital techniques have an impact on the trust-affecting factors of website quality, e-seller reputation, and structural assurances. Furthermore, there is a rare research on online trust-building mechanisms in the post-purchase phase, specifically repurchase intent in the e-commerce marketplace sector in Indonesia.

Customers also receive hands-on experience and create their own opinions on this mechanism by buying from electronic market merchants. Perceptions of electronic sellers and markets can change buyer confidence and re-purchase intentions (Liu & Tang, 2018). In the re-purchase phase, the customer's assessment of the online trust-building mechanism's usefulness affects their desire to re-buy (Li & Wang, 2020). According to (Liu & Tang, 2018), there are three components of the online trust building mechanism: the perception of marketplace (PUIBM), online seller benefits (PUSBM) and experience benefits perception (PUEBM) mechanism.

Pavlou & Gefen (2004) established institutional trust-based e-market concept. Their study demonstrated that institutional trust processes-built confidence in the e-auction system where product features and seller identity were unknown. This e-institutional trust is a prerequisite for online shopping (Bao, Li, Shen, Hou, et al., 2016; Li & Wang, 2020; Liu & Tang, 2018; Tikhomirova & Chuanmin, 2019).

**Commented [u7]:** Comment: Are these really "online trust-building mechanisms — the perceived usefulness of institutional-based mechanisms (PUIBM), the perceived usefulness of seller-based mechanisms (PUSBM), and the perceived usefulness of experience-based mechanisms (PUEBM) ???" --> The reference is cited

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Perceived usefulness of Institution-based mechanism (PUIBM) is related with rules, guarantees, and legal contracts protect opportunistic activity and customer benefits in online transactions as well as impact customers' future view of others. The guarantee reduces online shopping risks. IBMs procedure like credit card collateral protect clients and reduce financial risk in criminal cases (Hong & Cho, 2011). Contracts guarantee that third-party firms (like credit card companies) will retain income, eliminating legal difficulties. To familiarize clients and eliminate online anxiety, IBM invented situational normality—the idea that typical settings may lead to success. IBM reduces transaction risk by using structural assurance and situational normality to increase familiarity and reduce uncertainty (Liu & Tang, 2018).

Moreover, according to Fang et al. (2014), digital customer's opinions of third-party safeguarding measures' effectiveness in reducing online transaction risks are called perceived usefulness of institutional-based procedures. Other types include visible transaction security, privacy security, cybercrime deterrent, data theft, and digital specifications or third-party services of an e-marketplace (Zhang et al., 2019). It illustrates the value of understanding consumer safety in e-marketplace transactions (Bao, Li, Shen, & Hou, 2016). According to Huang et al., (2017)'s research, customers who perceive efficient institutional mechanisms for e-commerce may feel less vulnerable to financial loss. Customers might use their prior e-commerce security ratings as a basis for future purchases.

Most e-marketplace refund procedures are controlled by the companies. Unmet promises can lower customer perception of its usefulness and e-marketplace confidence (Tu et al., 2012). Customers may return products purchased from e-marketplace sellers. If the return process is overly complicated, customers will doubt the policy's value. The diminished perceived benefits of a return policy will lower their e-marketplace confidence (Liu & Tang, 2018). The finding is aligned with Wang et al. (2022) research, which found that a marketplace's benefits increase users' confidence in it because they make them think it can meet their needs.

The other form of online-trust based mechanism is perceived usefulness of seller-based mechanisms (PUSBM). Liu & Tang (2018) stated that the PUSBM related with the customer's perception of a website's navigation, aesthetics, and functionality, which sellers employ to promote themselves and their products. Consumers expect online sellers to provide clear information about themselves and the products sold in accordance with the information contained in the online selling site, such as

product information, company profiles, and company information (Wei et al., 2019). Customer initial evaluations of e-marketplace reliability, functionality, and familiarity are the basis for future repurchase intentions. An e-market that offers ease and usefulness in usage makes the customers feel comfortable with the e-site, increasing their desire to continue using it.

Moreover, seller-based mechanism (SBM) is marketplace-e-seller partnership. A website's functionality and appearance give customers a sense of the e-seller's presence, boosting their impression (Lim et al., 2006). E-sellers can use eBay and Amazon templates to create websites. Well-balanced companies and well-dressed employees attract customers. Not because the buyer knows anyone in the company, but because its appearance promises reliability (Liu & Tang, 2018). An attractive well-qualified website can boost client confidence in the e-seller and influence their opinion of the website (Lowry et al., 2008). Lu, Zeng, et al. (2016) argued that online vendors who perform effectively in the marketplace will win customer confidence since they appear to offer more benefits than other sellers. Customers experience e-seller services or products from their first purchase. Based on that experience, customers will judge SBM's utility and the e-seller (Liu & Tang, 2018). These findings support Lu, Fan, et al. (2016), who found that online merchants' benefits boost market confidence. Joo (2015) found that online vendors who offer free shipping and guarantee on-time delivery can be trusted in e-commerce businesses.

The Perceived usefulness of experience-based mechanisms (PUEBM) is the final online-trust mechanism. Liu & Tang (2018) stated that PUEBM is the customer perception of the utility of previous customer product reviews and vendor evaluations. Electronic vendors' information should not be the main basis for online customers' decisions (Özpolat et al., 2013). The perceived benefits of an experience-based mechanism are a perceptible benefit of consumers directly providing feedback on online community information, which is the credibility of knowledge like judgment, voting, ranking, and other forms that do not require cognition (Bao, Li, Shen, & Hou, 2016). Potential buyers can use this information to assess the e-seller's reputation and service quality, which may affect their confidence. (Pakarti et al., 2022). They may use other sources to learn about products, e-sellers, and transaction processes to lessen online purchase risk (Kim & Benbasat, 2009). Therefore, the presence of consumer feedback can serve as an effective approach for members of the community in helping find the same knowledge for all members of a particular community (Li & Wang, 2020).

After purchasing process, buyers may reconsider EBM information based on their experience. EBM information will improve customer's confidence in the e-seller if it matches their experience. The trust in electronic vendors disappear if customers suspect an electronic seller or a linked interest group of electronic sellers manipulating information (Astawa et al., 2021). The results of research by (Liu & Tang, 2018), (Pakarti et al., 2022), and (Astawa et al., 2021) found that experience-based advantages boost online seller confidence.

Last, since online business does not include direct consumer-trader connection, and debit cards are used for payment, which could lead to financial information being misused (Choon Ling et al., 2011). The acquired goods may not be reordered. Online sales might make buyers experience lack of confidence in the e-market place. Trust issues are one consideration for consumers to avoid e-commerce (Ilhamalimy & Ali, 2021). Consumers who don't trust the seller may avoid online transactions. However, customers who trust in a marketplace experience fewer consequences and are more likely to shop online (Farivar et al., 2017). Customers are more inclined to buy from an honest, reliable, and trustworthy e-seller (Pavlou & Gefen, 2004a). Customers prefer to return to a trustworthy e-marketplace that prioritizes their needs (Hong & Cho, 2011).

E-marketplaces regulate e-seller activity and identify problem sellers. Providing standards and procedures to eliminate uncertainty in online shopping (Pavlou & Gefen, 2004a) makes customers less dependent on e-sellers when making re-buy decisions (Fang et al., 2014). A credible e-marketplace can help customers fix mistakes. In less trustworthy e-marketplaces, clients may need to rely more on e-sellers for guarantees to reduce online scam risks. The researchers predict that trust in the e-marketplace will reduce the impact of e-seller trust on repurchase intention. According to Liu & Tang (2018), market trust negatively moderates the effect of online seller trust on re-buying interest.

E-marketplaces identify and control the activities of the sellers (Pavlou & Gefen, 2004a). Customers are willing to make a repeat purchase when standards and procedures are regulated (Fang et al., 2014). A reliable online marketplace can assist in handing customer's complaints. To lower their chance of falling victim to an online fraud, customers may need to depend more on e-sellers in less reliable e-marketplaces. E-marketplace trust will mitigate the effect of e-seller trust on repurchase intention. Liu & Tang (2018) found that the market trust negatively moderates the effect of online seller trust on re-purchase interest.

Refer to the previous literature reviews on online trust-building mechanisms, this research objective is to analyze the effect of the perceived usefulness of institution-based mechanisms, the perceived usefulness of service-based mechanisms, and the perceived usefulness of experience-based mechanisms on e-marketplace trust development and its effect on e-marketplace repurchase intention. Therefore, this research is able to developed some following hypotheses:

*H1: Perceived Usefulness of Institution-based mechanism has a positive effect on the trust in the e-market places.*

*H2: Perceived usefulness of seller-based mechanism has a positive effect on the trust in the e-marketplaces.*

*H3: Perceived usefulness of seller-based mechanisms positively influences on trust in online sellers.*

*H4: Perceived usefulness of experience-based mechanisms has a positive impact on trust in online sellers.*

*H5: Trust in e-marketplaces negatively moderates the influence of trust in e-sellers on e-marketplace repurchase intention*.

The research model for this study can be further described as follows:

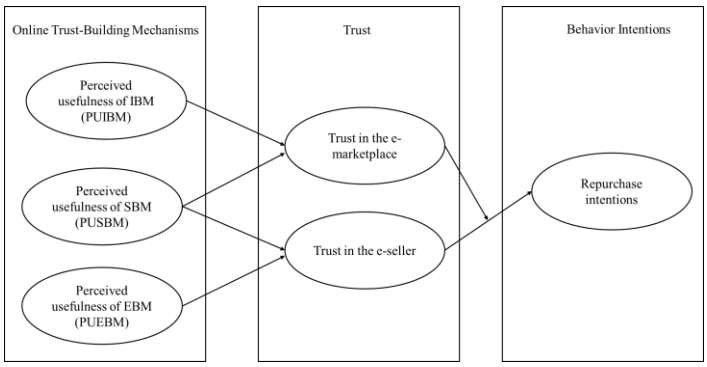


**Figure 1.** Research Model

## 2. Research Methodology

As a descriptive quantitative research design, this study explains the effect of e-trust, both trust in the e-seller and trust in the e-marketplace, on consumers repurchase intentions using three online

trust-based mechanisms (PUIBM, PUSBM, and PUEBM). The object of this research was Lazada Indonesia, which has been experiencing declines in terms of visits and sales since its launching period. The data collection was distributed using the e-questionnaires. The researcher explains the definitions of each constructs and indicators to help respondents capture and understand each question. The sample of respondents was chosen using the non-probability judgmental sampling technique on 231 respondents who had never shopped again on Lazada in the past three months. The seven-point Likert scale is used to evaluate the measurements of variables.

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In order to create robust, reliable, and valid measurements, this research used previous studies questions to measure the latent variables. The measurement for PUIBM variable is taken from Liu & Tang (2018), the measurements for PUEBM are refer from Park et al. (2007) study, and the measurements for PUIBM and trust in the e-seller are taken from Fang et al. (2014). Furthermore, the measurement of trust in the e-marketplace and e-marketplace repurchase intention refer to Pavlou & Gefen (2004) research.

This study used a self-reported e-survey with common method variance must be investigated (Podsakoff et al., 2003). Harman's single-factor test is utilized for detecting this problem by incorporating all of the major constructs into a principal component factor analysis (Podsakoff & Organ, 1986). In SPSS, factor analysis without rotation yielded a six-factor answer that explained 66.395 percent of the variation. The first component accounted for 33.605 percent of the variance, which is substantially lower than the majority. It means the method bias was not a major concern in this study.

The result of full collinearity test (Kock & Lynn, 2012), obtaining the result values for VIF as follows: PUEBM (1.521), PUIBM (1.657), PUSBM (1.787), trust in the e-marketplace (1.862), trust in the e-seller (1.846) and e-marketplace repurchase intention (2.161). All the values are less than 3.3, implying that Common Method Variance (CMV) is not a significant consideration in this research. This study analyzed the research model using variance-based PLS SEM since it produces reliable findings (Farooq, 2018).

Anderson & Gerbing (1988) developed recommended two-stage analytical techniques, which were used in this study. The first stage is examining the measurement model (validity and reliability of the measurements). The next stage is evaluating the structural model to test the hypotheses (Hair et al.,

2011; Hair et al., 2017, 2019). The bootstrapping approach (resample size of 5,000) was conducted to examine the relevance of the path coefficients and factor loadings (Hair et al., 2019).

## 3. Results

An explanation of the demographic characteristics and buying behavior of respondents to this study is depicted in Table 1. 57.58% of the respondents are female with 42.42% earned bachelor graduates. Majority of the respondents have an average monthly expenditure beyond basic needs and supplements in the range of Rp 1,500,000–Rp 3,000,000 (65.36%), having marital status, and have a frequency of shopping in e-commerce of 1-3 times a month (43.72%) and more than 3 times per month (42.42%).

**Table 1.** Respondent's Demographic Profile

| Demography | Category | Number | % |
|---|---|---|---|
| Gender | Male | 98 | 42.42% |
| | Female | 133 | 57.58% |
| Education Level | High school graduates | 68 | 29.44% |
| | Diploma graduates | 53 | 22.94% |
| | Bachelor graduates | 98 | 42.42% |
| | Post graduates | 12 | 5.19% |
| Monthly expenditure (Expenses for basic necessities, as well as house and automobile installments, are excluded) | < 700.000 IDR | 2 | 0.87% |
| | IDR 700.000 - IDR 1.000.000 | 16 | 6.93% |
| | IDR 1.000.000 - IDR 1.500.000 | 34 | 14.72% |
| | IDR 1.500.000 - IDR 2.000.000 | 81 | 35.06% |
| | IDR 2.000.000 - IDR 3.000.000 | 70 | 30.30% |
| | IDR > 3.000.000 | 27 | 11.69% |
| Marital Status | Single | 157 | 67.97% |
| | Married | 74 | 32.03% |
| Frequency of Shopping at e-commerce in a Month | < 1 time | 32 | 13.85% |
| | 1 - 3 times | 101 | 43.72% |
| | > 3 times | 98 | 42.42% |

The first step in PLS-SEM analysis is measurement model to examine the model's reliability and validity. According to Hair et al. (2017) and Henseler et al. (2009), the examination of reflective measurement models included composite reliability and Cronbach's alpha for evaluating the internal consistency of constructs. According to the results of measurement model (see Table 2), all composite reliability and Cronbach's alpha values are greater than 0.70.

The next step is evaluating the convergent and discriminant validity. Hair et al. (2019) recommend assessing outer loadings, average variance extracted (AVE), and composite reliability to verify convergent validity. Chin et al. (1997) and Hair et al. (2010) recommended a 0.6 outer loading threshold, which the study employed. Based on the result of measurement model in Table 2, the outer loading

values for all the measurements are above the 0.6 threshold. According to Hair et al. (2019), composite reliabilities (CR) and average variances extracted (AVE) should exceed 0.7. PUEBM1 is eliminated to improve AVE. Table 2's measurement model shows that all variables' CR and AVE values exceed 0.7.

**Table 2.** Research's Measurement Model

| Variable | Indicators | Outer Loading | AVE | CR | Cronbach Alpha |
|---|---|---|---|---|---|
| PUEBM | PUEBM2 | 0.646 | 0.545 | 0.725 | 0.719 |
| | PUEBM3 | 0.745 | | | |
| | PUEBM4 | 0.789 | | | |
| | PUEBM5 | 0.765 | | | |
| PUIBM | PUIBM1 | 0.837 | 0.781 | 0.783 | 0.695 |
| | PUIBM2 | 0.856 | | | |
| | PUIBM3 | 0.808 | | | |
| PUSBM1 | PUSBM1 | 0.772 | 0.829 | 0.875 | 0.539 |
| | PUSBM2 | 0.773 | | | |
| | PUSBM3 | 0.753 | | | |
| | PUSBM4 | 0.688 | | | |
| | PUSBM5 | 0.725 | | | |
| | PUSBM6 | 0.688 | | | |
| TRtoMP | TRtoMP1 | 0.759 | 0.783 | 0.789 | 0.607 |
| | TRtoMP2 | 0.818 | | | |
| | TRtoMP3 | 0.836 | | | |
| | TRtoMP4 | 0.697 | | | |
| TRtoSELL | TRtoSELL1 | 0.673 | 0.828 | 0.874 | 0.538 |
| | TRtoSELL2 | 0.700 | | | |
| | TRtoSELL3 | 0.716 | | | |
| | TRtoSELL4 | 0.768 | | | |
| | TRtoSELL5 | 0.773 | | | |
| | TRtoSELL6 | 0.764 | | | |
| RI | RI1 | 0.873 | 0.852 | 0.910 | 0.772 |
| | RI2 | 0.899 | | | |
| | RI3 | 0.864 | | | |

**Table 3.** Outer Loading and Cross Loading

| | PUEBM | PUIBM | PUSBM | Repurchase Intention | Trust to E-Seller | Trust in E-marketplace |
|---|---|---|---|---|---|---|
| PUEBM2 | **0.646** | 0.206 | 0.286 | 0.227 | 0.279 | 0.251 |
| PUEBM3 | **0.745** | 0.306 | 0.316 | 0.237 | 0.327 | 0.328 |
| PUEBM4 | **0.789** | 0.295 | 0.391 | 0.339 | 0.335 | 0.239 |
| PUEBM5 | **0.765** | 0.313 | 0.365 | 0.295 | 0.296 | 0.233 |
| PUIBM1 | 0.336 | **0.837** | 0.392 | 0.447 | 0.464 | 0.460 |
| PUIBM2 | 0.313 | **0.856** | 0.456 | 0.536 | 0.476 | 0.413 |
| PUIBM3 | 0.304 | **0.808** | 0.351 | 0.519 | 0.473 | 0.415 |
| PUSBM1 | 0.330 | 0.377 | **0.772** | 0.456 | 0.511 | 0.545 |
| PUSBM2 | 0.328 | 0.385 | **0.773** | 0.485 | 0.498 | 0.452 |
| PUSBM3 | 0.302 | 0.339 | **0.753** | 0.452 | 0.449 | 0.532 |
| PUSBM4 | 0.325 | 0.307 | **0.688** | 0.346 | 0.383 | 0.424 |
| PUSBM5 | 0.367 | 0.369 | **0.725** | 0.479 | 0.476 | 0.422 |
| PUSBM6 | 0.389 | 0.327 | **0.688** | 0.381 | 0.493 | 0.424 |
| RI1 | 0.395 | 0.553 | 0.555 | **0.873** | 0.510 | 0.532 |
| RI2 | 0.294 | 0.497 | 0.537 | **0.899** | 0.470 | 0.488 |
| RI3 | 0.290 | 0.524 | 0.466 | **0.864** | 0.490 | 0.464 |
| TRtoMP1 | 0.237 | 0.388 | 0.516 | 0.409 | 0.507 | **0.759** |
| TRtoMP2 | 0.276 | 0.446 | 0.551 | 0.447 | 0.574 | **0.818** |
| TRtoMP3 | 0.335 | 0.390 | 0.518 | 0.479 | 0.555 | **0.836** |
| TRtoMP4 | 0.263 | 0.384 | 0.398 | 0.424 | 0.562 | **0.697** |
| TRtoSELL1 | 0.291 | 0.365 | 0.436 | 0.346 | **0.673** | 0.511 |
| TRtoSELL2 | 0.314 | 0.360 | 0.436 | 0.342 | **0.700** | 0.499 |

| | | | | | | |
|---|---|---|---|---|---|---|
| TRtoSELL3 | 0.288 | 0.418 | 0.430 | 0.385 | **0.716** | 0.529 |
| TRtoSELL4 | 0.331 | 0.468 | 0.483 | 0.458 | **0.768** | 0.470 |
| TRtoSELL5 | 0.266 | 0.503 | 0.522 | 0.466 | **0.773** | 0.534 |
| TRtoSELL6 | 0.363 | 0.361 | 0.501 | 0.441 | **0.764** | 0.561 |

As recommended by Hair et al. (2017), the study assessed discriminant validity using cross-loading, the Fornell-lacker, and the Heterotrait-Monotrait Ratio of Correlations (HTMT) to measure the degree to which items distinguish between constructs or measure ideas . The model's construct indicators have good cross-loadings when they have the largest loading on their latent construct compared to other variables(Hair et al., 2017; Sarstedt et al., 2019). Table 3 describes the entire list of outer-loadings and cross-loadings for all indicators of each latent variable.

The Fornell-Lacker criterion is used to assess the discriminant validity of the measurement models by comparing the square roots of AVE values to the correlation values of other latent variables Hair et al. (2017). The square root of AVE should be greater than the value of the highest correlation to the other construct (Chin, 2010; Hair et al., 2017, 2019). The result of Fornell-Larcker's criterion is shown in Table 4.

**Table 4**. Fornell-Lacker Criterion

| | **PUEBM** | **PUIBM** | **PUSBM** | **Repurchase Intention** | **Trust to E-Seller** | **Trust in E-marketplace** |
|---|---|---|---|---|---|---|
| PUEBM | **0.738** | | | | | |
| PUIBM | 0.382 | **0.834** | | | | |
| PUSBM | 0.462 | 0.479 | **0.734** | | | |
| Repurchase Intention | 0.374 | 0.598 | 0.592 | **0.879** | | |
| Trust to E-Seller | 0.421 | 0.565 | 0.640 | 0.558 | **0.733** | |
| Trust in E-marketplace | 0.357 | 0.516 | 0.639 | 0.564 | 0.704 | **0.779** |

Since the Fornell and Larcker (1981) criterion does not accurately identify the lack of discriminant validity in frequent study settings, an additional methodology namely Heterotrait-monotrait (HTMT) correlation ratio has to be conducted for assessing discriminant validity based on the multi-trait, multi-method matrix (Henseler et al. (2015). The study conducted the discriminant validity of this new proposed method, and the HTMT Matrix results are displayed in Table 5. As suggested by Gold et al. (2001), a model is considered to have good discriminant validity if the value of HTMT is less than 0.90. Based on HTMT Matrix result in Table 5, the maximum value of the HTMT of the model is 0.879.

**Table 5.** HTMT Matrix Result

| | PUEBM | PUIBM | PUSBM | Repurchase Intention | Trust to E-Seller | Trust in E-marketplace | Trust in E-marketplace vs Trust to E-Seller |
|---|---|---|---|---|---|---|---|
| PUEBM | | | | | | | |
| PUIBM | 0.506 | | | | | | |
| PUSBM | 0.600 | 0.595 | | | | | |
| Repurchase Intention | 0.473 | 0.735 | 0.701 | | | | |
| Trust in the E-Seller | 0.545 | 0.699 | 0.768 | 0.658 | | | |
| Trust in the E-marketplace | 0.475 | 0.659 | 0.787 | 0.690 | 0.879 | | |
| Trust in E-marketplace vs Trust to E-Seller | 0.240 | 0.562 | 0.634 | 0.581 | 0.716 | 0.756 | |

After performing measurement model analysis, the next stage is conducting measurement model. Hair et al. (2019) proposed that researchers use the $R^2$ value, the beta (β) value, the p-value and the t-value that result from conducting the bootstrapping with a resample size of 5,000 to test the structural model. The predictive relevance ($Q^2$) and effect sizes ($f^2$) must be measured to complete the measurement model.

The finding research of (Chin, 1998), mentioned $R^2$ values of 0.67 is considered substantial, 0.33 is considered moderate, and the $R^2$ value of 0.19 is considered weak. Based on path coefficient analysis in Table 6, the $R^2$ values of this study are ranging from 0.383 to 0.461. It means that the $R^2$ values of the proposed conceptual model has a moderate explanatory significance. However, according to Hair et al. (2017), evaluating the proposed model solely on the basis of $R^2$ value is not adequate. Therefore, $Q^2$ test was conducted for assessing the predictive relevance of structural model (Geisser, 1974; Stone, 1974). If $Q^2$ value is more than zero, it shows that the latent exogenous variables used in the structural model are predictive of the latent endogenous variables (Chin, 2010; Hair et al., 2017; Sarstedt et al., 2019). This study found that repurchase intention has the highest predictive significance in the structural model, with a $Q^2$ value of 0.576, followed by trust in e-marketplace, with a $Q^2$ value of 0.567, and finally, trust in the e-seller, with a $Q^2$ value of 0.378. Since all $Q^2$ values are greater than zero, this finding validates the basic assumption that all latent underlying endogenous constructs are highly predictive.

The $f^2$ effect size is also evaluated in this study because the P value simply informs whether a relationship exists among variables but does not indicate the degree of the effect. Therefore, a substantive significance (effect size) and statistical significance (P value) are crucial results to convey (G. M. Sullivan & Feinn, 2012). This study used the Cohen (1988) recommendations of 0.02, 0.15, as well

as 0.35, which indicate small, moderate, and substantial effects, respectively (Cohen, 1988). Based on result of path coefficient analysis in Table 6, all the relationships showed a substantial effect with a score bigger than 0.35, except for the PUEBM effect on trust in the e-seller.

Moreover, for determining the significance level of path coefficients, this study adheres to the criterion of t-value 1.65 (one-tailed) and p-value 0.05. First, we evaluate the predictors of trust in e-marketplace, which are PUIBM (β=0.272, t-value=4.706, and p-value <0.01) and PUSBM (β=0.509, t-value=7.820, and p-value <0.01). It can be concluded both of H1 and H2 are accepted. Secondly, we evaluate the predictors of trust to e-seller, which are PUSBM (β=0.567, t-value=4.676, and p-value <0.01), and PUEBM (β=0.159, t-value=1.298, and p-value >0.05) and. It can be concluded that H3 is accepted, while H4 is rejected.

**Table 6.** Path Coefficient (Direct Effect)

| Hypotheses | | Beta | T-Value | P-Value | Decision | $R^2$ Adjusted | $f^2$ | $Q^2$ |
|---|---|---|---|---|---|---|---|---|
| H1 | PUIBM -> Trust in E-marketplace | 0.272 | 4.706 | 0.000 | Supported | 0.461 | 0.107 | 0.567 |
| H2 | PUSBM -> Trust in E-marketplace | 0.509 | 7.820 | 0.000 | Supported | | 0.373 | |
| H3 | PUSBM -> Trust to E-Seller | 0.567 | 4.676 | 0.000 | Supported | 0.425 | 0.443 | 0.378 |
| H4 | PUEBM -> Trust to E-Seller | 0.159 | 1.298 | 0.097 | Unsupported | | 0.035 | |

This study use Smart-PLS two-stage approach to test the moderation effect and generate interaction terms of trust in the e-marketplace on the relationship of trust in the e-seller with e-commerce repurchase intention as suggested by (Chin et al., 2003) and supported by Hair et al. (2021). As shown in the analysis of the moderation effect (Table 7), this study found that trust in the e-seller and trust in the e-marketplace positively affect e-commerce repurchase intention. However, when trust in the e-marketplace is used as a moderator variable, it interacts negatively and significantly with trust in the e-seller (β= -0.055, t-value=1.683, and p-value <0.05). Therefore, it can be concluded that H5 is supported.

**Table 7.** Analysis of the moderation effect

| **Moderation Hypothesis** | | Beta | T-Value | P-Value | Decision |
|---|---|---|---|---|---|
| **H5** | Trust in the e-seller -> Repurchase Intention | 0.244 | 2.710 | 0.003 | Supported |
| | Trust in E-marketplace -> Repurchase Intention | 0.253 | 2.982 | 0.001 | |
| | Trust in E-marketplace vs Trust to E-Seller | -0.055 | 1.683 | 0.046 | |

| | | | | | |
|---|---|---|---|---|---|
| | -> Repurchase Intention | | | | |

## 4. Discussion

The finding of this study show that the PUIBM has a positive effect on the trust in the e-marketplaces and align with the previous research findings carried out by Tu et al. (2012), Liu & Tang (2018), Wei et al. (2019) and Wang et al. (2022), who mentioned that e-marketplaces have many institutional safeguards or mechanisms (e.g., online certification, defect product return policy, escrow payment service, and review mechanism) to protect buyers from danger transactions that may occur on the site. Eventually, these types of institutional mechanisms mechanism policies boost customer trust in making purchases in the e-marketplace. In addition to using the escrow payment service, in order to protect customers from fraud in the e-marketplace, Lazada itself has two special labels that can be used as a reference for shopping security: 100% Buyer Protection and Satisfaction Guarantee. On the 100% Buyer Protection policy, consumers can return goods seven days after purchase, while on the Satisfaction Guarantee policy, there is a 14-day deadline for the customer to return the goods that do not conform to the order from e-sellers. Furthermore, in an effort to enhance customer confidence as well as privacy and security, Lazada Indonesia has also restricted purchaser personal data.

Furthermore, the finding of this study also show that the PUSBM has a significant positive influence on e-trust in the marketplace. This finding supports the previous research by Lu, Zhang, et al. (2016), and Puspitarini et al. (2021) who describe that the perception of the benefits perceived by consumers from online sellers arises when consumers view the page views of e-shop e-sellers. Unlike the concept of offline shopping, where the buyer directly sees, holds, or even tries the goods, buyers on the e-marketplace rely heavily on photos, videos, and detailed information about the product through the seller's web page. The more organized the e-seller web page, where the product e-catalogue is well-organized with good image and video quality as well as informative and clear product descriptions, the higher the level of buyer confidence in the e-marketplace.

This study supports the previous research by Joo (2015), Bao, Li, Shen, Hou, et al. (2016), Lu, Zeng, et al., (2016), (Liu & Tang (2018), and (Pakarti et al., 2022) that showed that the perceived usefulness of the online sellers had a positive influence on the level of buyer trust in e-sellers. Positive customer perceptions of an excellent website will encourage positive customer behavior about the e-seller and

increase their perspectives of the quality of the products (Lowry et al., 2008). In the case of repurchase intention, the PUSBM is formed when the consumer does an evaluation by comparing the information provided by the e-seller with the purchase of the products. If buyers perceive product information to be discordant with their buying experience, they may regard the information as of inadequate quality and ineffective, diminishing the trust they have in the e-seller.

The results of this study showed that the PUEBM had no significant influence on the buyer's confidence in the e-seller and supported a research conducted by Liang et al. (2018) on Airbnb's buyer repurchase intention. Even though the majority of consumers would read the reviews on the website before purchasing a product in the e-marketplace, Wahpiyudin et al.,'s (2022) study on consumer reviews about the big three e-commerce sites in Indonesia revealed that the majority of e-marketplace buyers respondents rarely give comments and reviews. Moreover, search engines dominate online shopping activity on an e-marketplace in Indonesia. Majority of website visitors use search engines before proceeding to e-marketplace web pages for searching and purchasing a product (Mudjahidin et al., 2021). Furthermore, from Indonesia's consumer e-purchase behavior point of view, instead of recalling previous shopping experiences in certain e-marketplaces, many consumers is price sensitive and will compare the price between one seller and another among the available e-marketplaces in the search engines.

Lastly, this study reinforces previous research by Liu & Tang (2018), which stated that the level of trust in the e-marketplaces negatively moderates the influence of trust in online sellers over interest in re-buying in the e-marketplace. Lazada operates similarly to a free e-market (not e-department store) in that it bringing together buyers and sellers but not actively involved in the transaction activities processes. Since there's no direct relationship between Lazada and its consumers, trust in the e-marketplace may not directly convert into the e-seller trust, nor may it effect buyer repurchase intentions (Liu & Tang, 2018).

Despite the scientific and practical contributions derived from this research, there are some limitations to what future researchers can do to raise the topic of online trust-building mechanisms in the future. First, this research is carried out only within the scope of the B2C e-marketplace and is limited to Lazada Indonesia as the research object. Further research could work out other forms of e-commerce outside the e-marketplace, such as B2B e-marketplace (Akrout & Diallo, 2017; Ratnasingam, 2005), C2C e-marketplace (Wei et al., 2019), and the rise of social media commerce like metavere shopping (Zhang et al., 2023), and TikTok Shop for Indonesia context. Second, the results of this

study only look at the buyer's perspective in the context of an online-trust building mechanism, whereas in an e-marketplace sale transaction, e-sellers also frequently connect with shoppers with whom they haven't had no or limited previous interaction. As a result, they are also subject to e-commerce fraudulent activity, such as payment delays for products and excessive claims from customers about the products and services (Wei et al., 2019). Therefore, next research could as also take the view points from the e-seller to better explain the online-trust building mechanism in the e-commerce context. Third, we only used quantitative studies in our analysis; we did not include qualitative studies, which may have influenced the research outcomes, discussion, and analysis. As a result, we propose that future studies supplement the quantitative findings with qualitative, in-depth interview-based research.

## CONCLUSION

Even though Indonesia experiences high penetration rates and internet users, the share of e-commerce transactions to the national economy is still far behind compared to other Asian countries. There is still a high level of concern among buyers in doing transactions on e-commerce because the sellers' identities are anonymous, making them vulnerable to fraud. To reduce uncertainty in online transactions, e-market providers develop online trust-based mechanisms to encourage repeat transactions and purchases.

**Commented [u10]:** We have improve the conclusion

In this study, online trust-building mechanisms was evaluated using three factors (PUIBM, PUSBM and PUEBM). The results of this study show that the perceived usefulness of institution-based mechanisms (PUIBM) well as perceived usefulness of online sellers (PUSBM) has a positive effect on the trust in the e-marketplaces. The study also showed that the perceived usefulness of online sellers had a positive influence on the level of buyer trust in e-sellers. Meanwhile, perceived usefulness of the experience-based mechanism (PUEBM) had no significant influence on the buyer's confidence in the e-seller. The study found that the level of trust in the e-marketplaces negatively moderates the influence of trust in online sellers over interest in re-buying in the e-marketplace.

This research made scientific and practical advances, but future researchers can do less to study online trust-building mechanisms. First, this study exclusively covers Lazada Indonesia in the B2C e-marketplace. Beyond the e-marketplace, B2B, C2C, and social media commerce like metavere shopping and TikTok Shop for Indonesia should be studied.

E-sellers often contact with buyers with whom they've never interacted before in an e-market-place selling transaction, but this study exclusively examines the buyer's perspective in the setting of an online-trust building mechanism. Therefore, they are vulnerable to e-commerce fraud such payment delays and exaggerated client claims regarding items and services. Thus, future study might include e-seller perspectives to better explain the online-trust building mechanism in e-commerce.

Third, we excluded qualitative studies from our analysis, which may have affected study findings, discussion, and analysis. Thus, future studies should combine quantitative data with qualitative, in-depth interviews.

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# Elucidating drivers repurchase intention in the e-market place through the lens of online trust-building mechanisms

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**Commented [u1]:** The authors should NOT write "Investigation on ..." in the title because all articles are research --> *We have changed the title to meet the journal requirement.*

**Commented [u2]:** Guidelines: After the names of the authors, there should be written their academic degree and academic rank, places of work (university, academic institution, etc. or the organization to which they belong) (Affiliation), city and country. If the name of city or country is already used as author's affiliation still both the city and the country should be indicated --> done

## Abstract

Despite its high internet usage, Indonesia has low e-commerce transactions. Trust is a big issue since the e-marketplace has more opportunistic vendors than single-merchant online storefronts. For fraud and uncertainty reduction, e-marketplaces should manage their online trust-based methods to eliminate ambiguity and build trust. Despite many studies on online trust-based mechanisms, most focus on initial purchase intention. This study examines e-repurchase intention on Lazada Indonesia, an e-marketplace with declining traffic and sales. This study uses the perceived usefulness of institutional-based mechanisms (PUIBM), the perceived usefulness of seller-based mechanisms (PUSBM), and the perceived usefulness of experience-based mechanisms (PUEBM)—to examine how trust in the e-market and e-seller affect e-marketplace repurchase intention.

This quantitative study includes 231 Lazada Indonesia customers from the past three months which furthered statistical analyzed with Partial Least Squares Structural Equation Modeling (PLS-SEM). The study's findings showed that PUIBM and PUSBM significantly enhance trust in the e-marketplace. In term of trust in the online seller, only PUSBM that has significant effect, while the PUEBM has no effect. This study also indicated that e-marketplace repurchase intention is strongly influenced by e-seller trust. The study found that e-marketplace trust negatively moderates the link between e-seller trust and repurchase intention. Thus, e-marketplace trust can replace e-seller trust in customer repurchase intentions.

**Commented [u3]:** Comment: This fragment in the abstract should be significantly shortened and written out more clearly, without repetition - "Indonesia's e-commerce industry is developing with internet users. Despite Indonesia's large internet user base, e-commerce transactions are still low compared to other Asia Pacific nations. In the e-marketplace, buyers are more vulnerable to opportunistic sellers than in single-merchant online stores. Therefore, e-marketplaces should construct online trust-based methods to eliminate ambiguity and build trust to reduce these fraudulent practices. Despite many studies on online trust-based mechanisms, most focus on initial purchase intention". --> The abstract has been shortened.

**Commented [u4]:** Comment: The result in the abstract is not presented concretely enough --> We have revised the abstract

**Keywords**: e-trust, perceived usefulness of institutional-based mechanisms, perceived usefulness of seller-based mechanisms, perceived usefulness of experience-based mechanisms, e-commerce, repurchase decision

**JEL Classification:** M15, M31, O32

## INTRODUCTION

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Indonesia, one of the world's largest internet nations, had 196.7 million users in Q2 2020 (Hidayat et al., 2021). Indonesia's GMV was US$ 27 million in 2018 and is expected to reach 124 billion by 2025 (Ha & Chuah, 2023). Unfortunately, Indonesian internet users are not enough for e-commerce, with e-commerce transaction value in 2019 only 3% of total retail, below the Asia-Pacific average (Ariansyah et al., 2021). These variables make Indonesia an attractive digital economy research subject, especially for e-commerce (Hidayat et al., 2021; Mudjahidin et al., 2021).

This study looks at Lazada, one of the principal online marketplaces in Southeast Asia. Lazada led Indonesian e-commerce from 2014 to 2017 after debuting in 2012 (Iprice.co.id., 2017). Nevertheless, from 2018 to the second quarter of 2022, Lazada Indonesia received fewer visitors, ranking third, lag behind Tokopedia and Shopee (Iprice.co.id., 2022).

E-commerce platforms have some challenges in encouraging repeat purchases from existing shoppers to increase revenues (Martin et al., 2015). However, it can be challenging to retain customers in virtual marketplaces where they cannot see, touch, or feel goods or services (Liu & Tang, 2018; Wandoko et al., 2017). E-marketplaces are vulnerable to cybercrime due to online transactions (Hong & Cho, 2011; Mou et al., 2017). This increases ambiguity regarding product quality or monitoring of the information transaction process in online buying environments (Liu & Tang, 2018; Wandoko et al., 2017) which will lead to consumers considering repurchase decision in the e-marketplace.

Due to the limited online re-purchase decision study, this research should help explain Indonesian e-marketplace consumers' behavior. An e-marketplace re-purchase intention study can help the owner understand what makes customers buy again and enhance their service and policy to enhance their business sustainability.

## 1. LITERATURE REVIEW

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The digital transformation facilitates commercial transactions and allow companies to develop direct interaction with customers. By eliminating the need for sellers to operate physical retail stores, e-commerce can speed up transaction procedures and save operational costs (Lukito & Ikhsan, 2020). Customers are more transient and can switch competitors quickly and affordably as a result of increased information availability (Gordini & Veglio, 2017; Martin et al., 2015).

The online re-purchase intention is vital for business owners since it indicates future revenue, profits, and business sustainability (Cuong, 2023). E-commerce has a higher cost of acquiring a new buyer than conventional outlets, but returning consumers spend more; therefore, profitability rises quicker if a seller-customer connection is established (Bao, Li, Shen, & Hou, 2016). With repurchase intention, a customer opts to continue with a brand to buy something, ignoring other choices (Trivedi & Yadav, 2018). Chiu et al. (2009) define online re-purchase intention as a person's likelihood of continuing to buy products from an online seller or retailer in future endeavors. Hence, the re-purchases or loyalty of customers is crucial for the growth and sustainability of online retailers. Thus, scholars and practitioners must prioritize internet consumers' post-purchase behavior. The procedures and reasons that keep people from buying have received little scholarly study (Chen, 2012; Liu & Tang, 2018).

Nevertheless, Sullivan and Kim (2018) found that online consumer loyalty is more demanding and significant than offline customer loyalty. After a customer has initially visited a certain e-marketplace, the e-retailer faces enticing that customer to make a repeat purchase on the same platform (Trivedi & Yadav, 2018). In the unstable and opportunistic internet marketplaces, trust is the most essential value (Pavlou & Gefen, 2004) and become the primary cause of customer reluctance to engage in online commerce. Customers are frequently exposed to the danger of obtaining goods that do not adhere to the order (Hong & Cho, 2011;Kim et al., 2008). Thus, online purchases might give online buyers a sensation of inadequacy. In times of uncertainty, online trust can help mitigate some dangers that online customers may encounter (Ilhamalimy & Ali, 2021). Consumers who are unsure of internet sellers tend to avoid online purchases (Farivar et al., 2017). Therefore, online businesses must adapt their strategy to fulfill customer needs and trust (Lukito & Ikhsan, 2020; Sullivan & Kim, 2018) to build customer loyalty.

Trust plays a significant role in buying decisions (Lăzăroiu et al., 2020) and becomes a tool to assess one's relationship with another person who will perform specified transactions in an unpredictable environment (Ba & Pavlou, 2002). Trust is an essential factor in the e-commerce business because it helps keep things straightforward by letting buyers personally get rid of online sellers' actions that they don't want to comprehend (Sullivan & Kim, 2018). Thus, online trust is essential to electronic transactions because online commerce is unpredictable (Kim & Ahn, 2007; Wang et al., 2022; Wei et al., 2019), and it is regarded as a necessary component of electronic transactions (Ke et al., 2016; Sullivan & Kim, 2018; L. Zhang et al., 2023).

Online merchants can employ various trust-building techniques, all of which can be thoroughly investigated using Zucker's (1986) framework for trust production. There are three strategies for building trust, which are based on traits, procedures, and establishments. More precisely, trust-building techniques were selected because they can offer signals to establish a buyer's first confidence in an online vendor when the buyer does not have a positive relationship or reliable information about the supplier (Chang et al., 2013; Chang & Cheung, 2005).

To minimize uncertainties and foster trust in the e-commerce businesses, e-sellers and e-marketplaces (as the third-party) use online trust-building mechanisms (Chang et al., 2013; Hong & Cho, 2011; Ke et al., 2016; Tikhomirova & Chuanmin, 2019), include review, comments and feedback customers regarding the credibility of an e-marketplace or e-seller, product ratings or evaluations, third-party escrow assistance, and payment method guarantees to attract more customers (Liu & Tang, 2018). Digital techniques impact the trust-affecting factors of website quality, e-seller reputation, and structural assurances. Furthermore, there is rare research on online trust-building mechanisms in the post-purchase phase, specifically re-purchase intent in the e-commerce marketplace sector in Indonesia.

Customers also receive hands-on experience and create opinions on this mechanism by buying from electronic market merchants. Perceptions of electronic sellers and markets can change buyer confidence and re-purchase intentions (Liu & Tang, 2018). In the re-purchase phase, the customer's assessment of the online trust-building mechanism's usefulness affects their desire to re-buy (Li & Wang, 2020). According to (Liu & Tang, 2018), there are three components of the online trust building mechanism: the perception of marketplace (PUIBM), online seller benefits (PUSBM) and experience benefits perception (PUEBM) mechanism.

**Commented [u7]:** Comment: Are these really "online trust-building mechanisms — the perceived usefulness of institutional-based mechanisms (PUIBM), the perceived usefulness of seller-based mechanisms (PUSBM), and the perceived usefulness of experience-based mechanisms (PUEBM) ???" --> The reference is cited

Pavlou and Gefen (2004) established an institutional trust-based e-market concept. Their study demonstrated that institutional trust processes built confidence in the e-auction system where product features and seller identity were unknown. This e-institutional trust is a prerequisite for online shopping (Bao, Li, Shen, Hou, et al., 2016; Li & Wang, 2020; Liu & Tang, 2018; Tikhomirova & Chuanmin, 2019).

**Commented [u8]:** Comment: Are these really mechanisms? Are these established concepts? --> We put additional theoretical views

The perceived usefulness of an Institution-based mechanism (PUIBM) is related to rules, guarantees, and legal contracts that protect opportunistic activity and customer benefits in online transactions and impact customers' future views of others. The guarantee reduces online shopping risks. IBM's procedures, like credit card collateral, protect clients and reduce financial risk in criminal cases (Hong & Cho, 2011). Contracts guarantee that third-party firms (like credit card companies) will retain income, eliminating legal difficulties. To familiarize clients and eliminate online anxiety, IBM invented situational normality—the idea that typical settings may lead to success. Using structural assurance and situational normality, IBM reduces transaction risk to increase familiarity and reduce uncertainty (Liu & Tang, 2018).

Moreover, according to Fang et al. (2014), digital customers' opinions of the effectiveness of third-party safeguarding measures in reducing online transaction risks are called the perceived usefulness of institutional-based procedures. Other types include visible transaction security, privacy security, cybercrime deterrent, data theft, and digital specifications or third-party services of an e-marketplace (Zhang et al., 2019). It illustrates the value of understanding consumer safety in e-marketplace transactions (Bao, Li, Shen, & Hou, 2016). According to Huang et al., (2017)'s research, customers who perceive efficient institutional mechanisms for e-commerce may feel less vulnerable to financial loss. Customers might use their prior e-commerce security ratings as a basis for future purchases.

The companies control most e-marketplace refund procedures. Unmet promises can lower customers' perceived usefulness and e-marketplace confidence (Tu et al., 2012). Customers may return products purchased from e-marketplace sellers. Customers will doubt the policy's value if the return process is overly complicated. The diminished perceived benefits of a return policy will lower their e-marketplace confidence (Liu & Tang, 2018). The finding is aligned with Wang et al. (2022) research, which found that a marketplace's benefits increase users' confidence in it because they make them think it can meet their needs.

The other online-based mechanism is the perceived usefulness of seller-based mechanisms (PUSBM). Liu & Tang (2018) stated that the PUSBM is related to the customer's perception of a website's navigation, aesthetics, and functionality, which sellers employ to promote themselves and their products. Consumers expect online sellers to provide transparent information about themselves and the products sold by the information contained in the online selling site, such as product information and company profiles (Wei et al., 2019). Customer initial evaluations of e-marketplace reliability, functionality, and familiarity are the basis for future re-purchase intentions. An e-market that offers ease and usefulness makes the customers feel comfortable with the e-site, increasing their desire to continue using it.

Moreover, the seller-based mechanism (SBM) is a marketplace-e-seller partnership. A website's functionality and appearance give customers a sense of the e-seller's presence, boosting their impression (Lim et al., 2006). E-sellers can use eBay and Amazon templates to create websites. Well-balanced companies and well-dressed employees attract customers. Not because the buyer knows anyone in the company but because its appearance promises reliability (Liu & Tang, 2018). An attractive, well-qualified website can boost client confidence in the e-seller and influence their opinion of the website (Lowry et al., 2008). Lu, Zeng, et al. (2016) argued that online vendors performing effectively in the marketplace will win customer confidence since they offer more benefits than other sellers. Customers experience e-seller services or products from their first purchase. Based on that experience, customers will judge SBM's utility and the e-seller (Liu & Tang, 2018). These findings support Lu, Fan, et al. (2016), who found that online merchants' benefits boost market confidence. Joo (2015) found that online vendors who offer free shipping and guarantee on-time delivery can be trusted in e-commerce businesses.

The final online trust mechanism is the Perceived usefulness of experience-based mechanisms (PUEBM). Liu & Tang (2018) stated that PUEBM is the customer perception of the utility of previous product reviews and vendor evaluations. Electronic vendors' information should not be the primary basis for online customers' decisions (Özpolat et al., 2013).

The perceived benefits of an experience-based mechanism are a perceptible benefit of consumers directly providing feedback on online community information, which is the credibility of knowledge like judgment, voting, ranking, and other forms that do not require cognition (Bao,

Li, Shen, & Hou, 2016). Potential buyers can use this information to assess the e-seller's reputation and service quality, which may affect their confidence (Pakarti et al., 2022). They may use other sources to learn about products, e-sellers, and transaction processes to lessen online purchase risk (Kim & Benbasat, 2009). Therefore, the presence of consumer feedback can serve as a practical approach for members of the community to help find the same knowledge for all members of a particular community (Li & Wang, 2020).

After purchasing, buyers may reconsider EBM information based on their experience. EBM information will improve customer's confidence in the e-seller if it matches their experience. The trust in electronic vendors disappear if customers suspect an electronic seller or a linked interest group of electronic sellers manipulating information (Astawa et al., 2021). The results of research by (Liu & Tang, 2018), (Pakarti et al., 2022), and (Astawa et al., 2021) found that experience-based advantages boost online seller confidence.

Last, since online business does not include a direct consumer-trader connection and debit cards are used for payment, this could lead to financial information being misused (Choon Ling et al., 2011). The acquired goods may not be reordered. Online sales cause buyers to experience a lack of confidence in the e-marketplace. Trust issues are one reason consumers avoid e-commerce (Ilhamalimy & Ali, 2021). Consumers who do not trust the seller may avoid online transactions. However, customers who trust in a marketplace experience fewer consequences and are more likely to shop online (Farivar et al., 2017). Customers are more inclined to buy from an honest, reliable, and trustworthy e-seller (Pavlou & Gefen, 2004a). Customers prefer to return to a trustworthy e-marketplace that prioritizes their needs (Hong & Cho, 2011).

E-marketplaces regulate e-seller activity and identify problem sellers. Providing standards and procedures to eliminate uncertainty in online shopping (Pavlou & Gefen, 2004a) makes customers less dependent on e-sellers when making re-buy decisions (Fang et al., 2014). A credible e-marketplace can help customers fix mistakes. In less trustworthy e-marketplaces, customers may need to rely more on e-sellers for guarantees to reduce online scam risks. The trustworthiness of the e-commerce system lessens the reliance of e-commerce customers on e-seller assistance during the transaction process. Thus, the level of trust in the e-marketplace could decrease the effect of e-seller trust on the intention of purchasing future purchases.

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E-marketplaces identify and control the sellers' activities (Pavlou & Gefen, 2004a). Customers are willing to purchase repeatedly when standards and procedures are regulated (Fang et al., 2014). A reliable online marketplace can assist in handing customer's complaints. Customers may need to depend more on e-sellers in less reliable e-marketplaces to lower their chance of falling victim to online fraud. A reliable online marketplace can assist in handling customer's complaints. E-marketplace trust will mitigate the effect of e-seller trust on re-purchase intention. Liu and Tang (2018) found that market trust negatively moderates the effect of online seller trust on re-purchase interest.

Refer to the previous literature reviews on online trust-building mechanisms, this research objective is to analyze the effect of the perceived usefulness of institution-based mechanisms, the perceived usefulness of service-based mechanisms, and the perceived usefulness of experience-based mechanisms on e-marketplace trust development and its effect on e-marketplace re-purchase intention. Therefore, this research can develop following hypotheses:

*H1: Perceived Usefulness of Institution-based mechanism positively affects trust in the e-marketplaces.*
*H2: Perceived usefulness of seller-based mechanism positively affects trust in the e-marketplaces.*
*H3: Perceived usefulness of seller-based mechanisms positively influences trust in online sellers.*
*H4: Perceived usefulness of experience-based mechanisms positively impacts trust in online sellers.*
*H5: Trust in e-marketplaces negatively moderates the influence of trust in e-sellers on e-marketplace re-purchase intention.*

The research model for this study can be further described as follows:

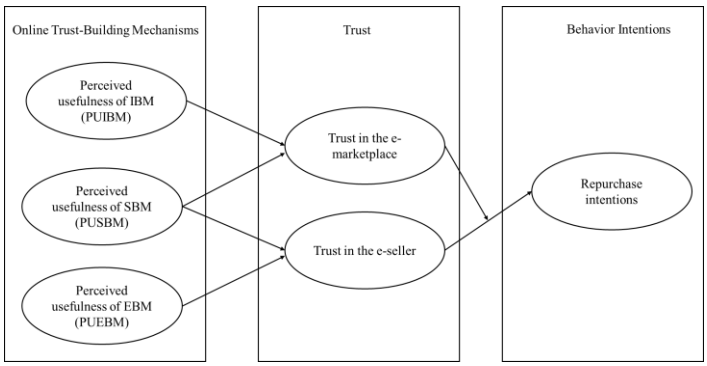


**Figure 1.** Research Model

## 2. Research Methodology

As a descriptive quantitative research design, this study explains the effect of e-trust, both trust in the e-seller and trust in the e-marketplace, on consumers repurchase intentions using three online trust-based mechanisms (PUIBM, PUSBM, and PUEBM). The object of this research was Lazada Indonesia, which has been experiencing declines in visits and sales since its launching period. The data collection was distributed using the e-questionnaires. The researcher explains the definitions of each constructs and indicators to help respondents capture and understand each question. The sample of respondents was chosen using the non-probability judgmental sampling technique on 231 respondents who had never shopped again on Lazada in the past three months. The seven-point Likert scale is used to evaluate the measurements of variables.

**Commented [u10]:** Comment : Do these 231 Lazada Indonesia customers as respondents know these mechanisms? We give definition and explanation of each construct in the questionnaire

In order to create robust, reliable, and valid measurements, this research used questions from previous studies to measure the latent variables. The measurement for PUIBM variable is taken from Liu & Tang (2018), the measurements for PUEBM are refer from Park et al. (2007) study, and the measurements for PUIBM and trust in the e-seller are taken from Fang et al. (2014). Furthermore, measuring trust in the e-marketplace and e-marketplace re-purchase intention refers to Pavlou and Gefen's (2004) research.

This study used a self-reported e-survey with common method, and variance must be investigated (Podsakoff et al., 2003). Harman's single-factor test detects this problem by incorporating all significant constructs into a principal component factor analysis (Podsakoff & Organ, 1986). In SPSS, factor analysis without rotation yielded a six-factor answer that explained 66.395 percent of the variation. The first component accounted for 33.605 percent of the variance, which is substantially lower than the majority. It means the method bias was not a significant concern in this study.

The result of the full collinearity test (Kock & Lynn, 2012), obtaining the result values for VIF as follows: PUEBM (1.521), PUIBM (1.657), PUSBM (1.787), trust in the e-marketplace (1.862), trust in the e-seller (1.846) and e-marketplace re-purchase intention (2.161). All the values are less than 3.3, implying that Common Method Variance (CMV) is not a significant consideration in this research. This study analyzed the research model using variance-based PLS SEM since it produces reliable findings (Farooq, 2018).

Anderson & Gerbing (1988) developed recommended two-stage analytical techniques used in this study. The first stage is examining the measurement model (validity and reliability of the measurements). The next stage is evaluating the structural model to test the hypotheses (Hair et al., 2011; Hair et al., 2017, 2019). The bootstrapping approach (resample size of 5,000) was conducted to examine the relevance of the path coefficients and factor loadings (Hair et al., 2019).

## 3. Results

An explanation of the demographic characteristics and buying behavior of respondents to this study is depicted in Table 1. 57.58% of the respondents are female with 42.42% having earned bachelor graduates. The majority of the respondents have an average monthly expenditure beyond basic needs and supplements in the range of Rp 1,500,000–Rp 3,000,000 (65.36%), having marital status, and have a frequency of shopping in e-commerce of 1-3 times a month (43.72%) and more than three times per month (42.42%).

**Table 1.** Respondent's Demographic Profile

| Demography | Category | Number | % |
|---|---|---|---|
| Gender | Male | 98 | 42.42% |
| | Female | 133 | 57.58% |
| Education Level | High school graduates | 68 | 29.44% |
| | Diploma graduates | 53 | 22.94% |
| | Bachelor graduates | 98 | 42.42% |
| | Post graduates | 12 | 5.19% |

| | | | |
|---|---|---|---|
| Monthly expenditure (Expenses for basic necessities, as well as house and automobile installments, are excluded) | < 700.000 IDR | 2 | 0.87% |
| | IDR 700.000 - IDR 1.000.000 | 16 | 6.93% |
| | IDR 1.000.000 - IDR 1.500.000 | 34 | 14.72% |
| | IDR 1.500.000 - IDR 2.000.000 | 81 | 35.06% |
| | IDR 2.000.000 - IDR 3.000.000 | 70 | 30.30% |
| | IDR > 3.000.000 | 27 | 11.69% |
| Marital Status | Single | 157 | 67.97% |
| | Married | 74 | 32.03% |
| Frequency of Shopping at e-commerce in a Month | < 1 time | 32 | 13.85% |
| | 1 - 3 times | 101 | 43.72% |
| | > 3 times | 98 | 42.42% |

The first step in PLS-SEM analysis is the measurement model to examine the model's reliability and validity. According to Hair et al. (2017) and Henseler et al. (2009), the examination of reflective measurement models included composite reliability and Cronbach's alpha for evaluating the internal consistency of constructs. According to measurement model results (see Table 2), all composite reliability and Cronbach's alpha values are greater than 0.70.

The next step is evaluating the convergent and discriminant validity. Hair et al. (2019) recommend assessing outer loadings, average variance extracted (AVE), and composite reliability to verify convergent validity. Chin et al. (1997) and Hair et al. (2010) recommended a 0.6 outer loading threshold, which the study employed. Based on the result of measurement model in the Table 2, the outer loading values for all the measurements are above the 0.6 threshold. According to Hair et al. (2019), composite reliabilities (CR) and average variances extracted (AVE) should exceed 0.7. PUEBM1 is eliminated to improve AVE. Table 2's measurement model shows that all variables' CR and AVE values exceed 0.7.

**Table 2.** Research's Measurement Model

| Variable | Indicators | Outer Loading | AVE | CR | Cronbach Alpha |
|---|---|---|---|---|---|
| PUEBM | PUEBM2 | 0.646 | 0.545 | 0.725 | 0.719 |
| | PUEBM3 | 0.745 | | | |
| | PUEBM4 | 0.789 | | | |
| | PUEBM5 | 0.765 | | | |
| PUIBM | PUIBM1 | 0.837 | 0.781 | 0.783 | 0.695 |
| | PUIBM2 | 0.856 | | | |
| | PUIBM3 | 0.808 | | | |
| PUSBM1 | PUSBM1 | 0.772 | 0.829 | 0.875 | 0.539 |
| | PUSBM2 | 0.773 | | | |
| | PUSBM3 | 0.753 | | | |
| | PUSBM4 | 0.688 | | | |
| | PUSBM5 | 0.725 | | | |
| | PUSBM6 | 0.688 | | | |
| TRtoMP | TRtoMP1 | 0.759 | 0.783 | 0.789 | 0.607 |
| | TRtoMP2 | 0.818 | | | |
| | TRtoMP3 | 0.836 | | | |
| | TRtoMP4 | 0.697 | | | |
| TRtoSELL | TRtoSELL1 | 0.673 | 0.828 | 0.874 | 0.538 |
| | TRtoSELL2 | 0.700 | | | |

| | | | | | |
|---|---|---|---|---|---|
| | TRtoSELL3 | 0.716 | | | |
| | TRtoSELL4 | 0.768 | | | |
| | TRtoSELL5 | 0.773 | | | |
| | TRtoSELL6 | 0.764 | | | |
| RI | RI1 | 0.873 | 0.852 | 0.910 | 0.772 |
| | RI2 | 0.899 | | | |
| | RI3 | 0.864 | | | |

**Table 3.** Outer Loading and Cross Loading

| Variable | PUEBM | PUIBM | PUSBM | Repurchase Intention | Trust to E-Seller | Trust in E-marketplace |
|---|---|---|---|---|---|---|
| PUEBM2 | **0.646** | 0.206 | 0.286 | 0.227 | 0.279 | 0.251 |
| PUEBM3 | **0.745** | 0.306 | 0.316 | 0.237 | 0.327 | 0.328 |
| PUEBM4 | **0.789** | 0.295 | 0.391 | 0.339 | 0.335 | 0.239 |
| PUEBM5 | **0.765** | 0.313 | 0.365 | 0.295 | 0.296 | 0.233 |
| PUIBM1 | 0.336 | **0.837** | 0.392 | 0.447 | 0.464 | 0.460 |
| PUIBM2 | 0.313 | **0.856** | 0.456 | 0.536 | 0.476 | 0.413 |
| PUIBM3 | 0.304 | **0.808** | 0.351 | 0.519 | 0.473 | 0.415 |
| PUSBM1 | 0.330 | 0.377 | **0.772** | 0.456 | 0.511 | 0.545 |
| PUSBM2 | 0.328 | 0.385 | **0.773** | 0.485 | 0.498 | 0.452 |
| PUSBM3 | 0.302 | 0.339 | **0.753** | 0.452 | 0.449 | 0.532 |
| PUSBM4 | 0.325 | 0.307 | **0.688** | 0.346 | 0.383 | 0.424 |
| PUSBM5 | 0.367 | 0.369 | **0.725** | 0.479 | 0.476 | 0.422 |
| PUSBM6 | 0.389 | 0.327 | **0.688** | 0.381 | 0.493 | 0.424 |
| RI1 | 0.395 | 0.553 | 0.555 | **0.873** | 0.510 | 0.532 |
| RI2 | 0.294 | 0.497 | 0.537 | **0.899** | 0.470 | 0.488 |
| RI3 | 0.290 | 0.524 | 0.466 | **0.864** | 0.490 | 0.464 |
| TRtoMP1 | 0.237 | 0.388 | 0.516 | 0.409 | 0.507 | **0.759** |
| TRtoMP2 | 0.276 | 0.446 | 0.551 | 0.447 | 0.574 | **0.818** |
| TRtoMP3 | 0.335 | 0.390 | 0.518 | 0.479 | 0.555 | **0.836** |
| TRtoMP4 | 0.263 | 0.384 | 0.398 | 0.424 | 0.562 | **0.697** |
| TRtoSELL1 | 0.291 | 0.365 | 0.436 | 0.346 | **0.673** | 0.511 |
| TRtoSELL2 | 0.314 | 0.360 | 0.436 | 0.342 | **0.700** | 0.499 |
| TRtoSELL3 | 0.288 | 0.418 | 0.430 | 0.385 | **0.716** | 0.529 |
| TRtoSELL4 | 0.331 | 0.468 | 0.483 | 0.458 | **0.768** | 0.470 |
| TRtoSELL5 | 0.266 | 0.503 | 0.522 | 0.466 | **0.773** | 0.534 |
| TRtoSELL6 | 0.363 | 0.361 | 0.501 | 0.441 | **0.764** | 0.561 |

As recommended by Hair et al. (2017), the study assessed discriminant validity using cross-loading, the Fornell-lacker, and the Heterotrait-Monotrait Ratio of Correlations (HTMT) to measure the degree to which items distinguish between constructs or measure ideas . The model's construct indicators have good cross-loadings when they have the most significant loading on their latent construct compared to other variables (Hair et al., 2017; Sarstedt et al., 2019). Table 3 describes the entire list of outer-loadings and cross-loadings for all indicators of each latent variable.

The Fornell-Lacker criterion is used to assess the discriminant validity of the measurement models by comparing the square roots of AVE values to the correlation values of other latent variables. The square root of AVE should be greater than the value of the highest correlation to the other construct (Chin, 2010; Hair et al., 2017, 2019). The result of Fornell-Larcker's criterion is shown in Table 4.

**Table 4**. Fornell-Lacker Criterion

| Variables | PUEBM | PUIBM | PUSBM | Repurchase Intention | Trust to E-Seller | Trust in E-marketplace |
|---|---|---|---|---|---|---|
| PUEBM | **0.738** | | | | | |
| PUIBM | 0.382 | **0.834** | | | | |
| PUSBM | 0.462 | 0.479 | **0.734** | | | |
| Repurchase Intention | 0.374 | 0.598 | 0.592 | **0.879** | | |
| Trust to E-Seller | 0.421 | 0.565 | 0.640 | 0.558 | **0.733** | |
| Trust in E-marketplace | 0.357 | 0.516 | 0.639 | 0.564 | 0.704 | **0.779** |

Since the Fornell and Larcker (1981) criterion does not accurately identify the lack of discriminant validity in frequent study settings, an additional methodology, namely Heterotrait-monotrait (HTMT) correlation ratio, has to be conducted for assessing discriminant validity based on the multi-trait, multi-method matrix (Henseler et al. (2015). The study conducted the discriminant validity of this new proposed method, and the HTMT Matrix results are displayed in Table 5. As Gold et al. (2001) suggested, a model is considered to have good discriminant validity if the value of HTMT is less than 0.90. Based on HTMT Matrix result in Table 5, the maximum value of the HTMT of the model is 0.879.

**Table 5.** HTMT Matrix Result

| Variables | PUEBM | PUIBM | PUSBM | Repurchase Intention | Trust to E-Seller | Trust in E-marketplace | Trust in E-marketplace vs Trust to E-Seller |
|---|---|---|---|---|---|---|---|
| PUEBM | | | | | | | |
| PUIBM | 0.506 | | | | | | |
| PUSBM | 0.600 | 0.595 | | | | | |
| Repurchase Intention | 0.473 | 0.735 | 0.701 | | | | |
| Trust in the E-Seller | 0.545 | 0.699 | 0.768 | 0.658 | | | |
| Trust in the E-marketplace | 0.475 | 0.659 | 0.787 | 0.690 | 0.879 | | |
| Trust in E-marketplace vs Trust to E-Seller | 0.240 | 0.562 | 0.634 | 0.581 | 0.716 | 0.756 | |

After performing measurement model analysis, the next stage is conducting the measurement model. Hair et al. (2019) proposed that researchers use the $R^2$ value, the beta (β) value, the p-value and the t-value resulting from the bootstrapping with a resample size of 5,000 to test the structural model. The predictive relevance ($Q^2$) and effect sizes ($f^2$) must be measured to complete the measurement model.

The finding research of (Chin, 1998), mentioned that $R^2$ values of 0.67 is considered substantial, 0.33 is considered moderate, and the $R^2$ value of 0.19 is considered weak. Based on path coefficient analysis in Table 6, the $R^2$ values of this study are ranging from 0.383 to 0.461. It means that the $R^2$ values of the proposed conceptual model has a moderate explanatory significance. However, according to Hair et al. (2017), evaluating the proposed model solely based on $R^2$ value is not adequate. Therefore, $Q^2$ test was conducted to assess the predictive relevance of the structural model (Geisser, 1974; Stone, 1974). If the $Q^2$ value is more than zero, it shows that the latent exogenous variables used in the structural model predict the latent endogenous variables (Chin, 2010; Hair et al., 2017; Sarstedt et al., 2019). This study found that re-purchase intention has the highest predictive significance in the structural model, with a $Q^2$ value of 0.576, followed by trust in e-marketplace, with a $Q^2$ value of 0.567, and finally, trust in the e-seller, with a $Q^2$ value of 0.378. Since all $Q^2$ values are greater than zero, this finding validates the assumption that all latent underlying endogenous constructs are highly predictive.

The $f^2$ effect size is also evaluated in this study because the P value simply informs whether a relationship exists among variables but does not indicate the degree of the effect. Therefore, substantive significance (effect size) and statistical significance (P value) are crucial results to convey (G. M. Sullivan & Feinn, 2012). This study used the Cohen (1988) recommendations of 0.02, 0.15, and 0.35, which indicate small, moderate, and substantial effects, respectively (Cohen, 1988). Based on the path coefficient analysis result in Table 6, all the relationships showed a substantial effect with a score bigger than 0.35, except for the PUEBM effect on trust in the e-seller.

Moreover, this study adheres to the criterion of t-value 1.65 (one-tailed) and p-value 0.05 to determine the significance level of path coefficients. First, ~~we evaluate~~ the predictors of trust in e-marketplace are evaluated, which are PUIBM (β=0.272, t-value=4.706, and p-value <0.01) and PUSBM (β=0.509, t-value=7.820, and p-value <0.01). It can be concluded both of H1 and H2 are acceptable. Secondly, ~~we evaluate~~ the predictors of trust to e-seller are evaluated, which are PUSBM (β=0.567, t-value=4.676, and p-value <0.01), and PUEBM (β=0.159, t-value=1.298, and p-value >0.05). It can be concluded that H3 is accepted, while H4 is rejected.

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**Table 6.** Path Coefficient (Direct Effect)

| Hypotheses | | Beta | T-Value | P-Value | Decision | $R^2$ Adjusted | $f^2$ | $Q^2$ |
|---|---|---|---|---|---|---|---|---|
| H1 | PUIBM -> Trust in E-marketplace | 0.272 | 4.706 | 0.000 | Supported | 0.461 | 0.107 | 0.567 |
| H2 | PUSBM -> Trust in E-marketplace | 0.509 | 7.820 | 0.000 | Supported | | 0.373 | |
| H3 | PUSBM -> Trust to E-Seller | 0.567 | 4.676 | 0.000 | Supported | 0.425 | 0.443 | 0.378 |
| H4 | PUEBM -> Trust to E-Seller | 0.159 | 1.298 | 0.097 | Unsupported | | 0.035 | |

This study use Smart-PLS two-stage approach to test the moderation effect and generate interaction terms of trust in the e-marketplace on the relationship of trust in the e-seller with e-commerce re-purchase intention as suggested by (Chin et al., 2003) and supported by Hair et al. (2021). As shown in the analysis of the moderation effect (Table 7), this study found that trust in the e-seller and trust in the e-marketplace positively affect e-commerce re-purchase intention. However, when trust in the e-marketplace is used as a moderator variable, it interacts negatively and significantly with trust in the e-seller (β= -0.055, t-value=1.683, and p-value <0.05). Therefore, it can be concluded that H5 is supported.

**Table 7.** Analysis of the moderation effect

| **Moderation Hypothesis** | | Beta | T-Value | P-Value | Decision |
|---|---|---|---|---|---|
| **H5** | Trust in the e-seller -> Repurchase Intention | 0.244 | 2.710 | 0.003 | Supported |
| | Trust in E-marketplace -> Repurchase Intention | 0.253 | 2.982 | 0.001 | |
| | Trust in E-marketplace vs Trust to E-Seller -> Repurchase Intention | -0.055 | 1.683 | 0.046 | |

## 4. Discussion

The finding of this study show that the PUIBM has a positive effect on trust in the e-marketplaces and aligns with the previous research findings carried out by Tu et al. (2012), Liu & Tang (2018), Wei et al. (2019) and Wang et al. (2022), who mentioned that e-marketplaces have many institutional safeguards or mechanisms (e.g., online certification, defect product return policy, escrow payment service, and review mechanism) to protect buyers from danger transactions that may occur on the site. Eventually, these types of institutional mechanisms policies boost customer trust in making purchases in the e-marketplace. In addition to using the escrow payment service to protect customers from fraud in the e-marketplace, Lazada has two special labels that can be used as a reference for shopping security: 100% Buyer Protection and Satisfaction Guarantee. On the 100% Buyer Protection policy, consumers can return goods seven days after purchase. In contrast, on the Satisfaction Guarantee policy, there is a 14-day deadline for the customer to return the goods that do not conform to the order from e-sellers. Furthermore, to enhance customer confidence as well as privacy and security, Lazada Indonesia has also restricted purchaser personal data.

Furthermore, the finding of this study also show that the PUSBM has a significant positive influence on e-trust in the marketplace. This finding supports the previous research by Lu, Zhang, et al. (2016), and Puspitarini et al. (2021) who describe that the perception of the benefits perceived by online sellers arises when consumers view the page views of e-shop e-sellers. Unlike offline shopping, where the buyer directly sees, holds, or even tries the goods, buyers on the e-marketplace rely heavily on photos, videos, and detailed information about the product through the seller's web page. The more organized the e-seller web page, where the product e-catalog is well-organized with good image and video quality as well as informative and clear product descriptions, the higher the level of buyer confidence in the e-marketplace.

This study supports the previous research by Joo (2015), Bao, Li, Shen, Hou, et al. (2016), Lu, Zeng, et al., (2016), (Liu & Tang (2018), and (Pakarti et al., 2022) that showed that the perceived usefulness of the online sellers had a positive influence on the level of buyer trust in e-sellers. Positive customer perceptions of an excellent website will encourage positive customer behavior toward the e-seller and increase their perspectives of the quality of the products (Lowry et al., 2008). In the case of re-purchase intention, the PUSBM is formed when the consumer evaluates by comparing the information provided by the e-seller with the purchase of the products. If buyers perceive product information to be discordant with their buying experience, they may regard the information as of inadequate quality and ineffective, diminishing the trust they have in the e-seller.

The results of this study showed that the PUEBM had no significant influence on the buyer's confidence in the e-seller and supported research conducted by Liang et al. (2018) on Airbnb's buyer repurchase intention. Even though the majority of consumers would read the reviews on the website before purchasing a product in the e-marketplace, Wahpiyudin et al.,'s (2022) study on consumer reviews about the big three e-commerce sites in Indonesia revealed that the majority of e-marketplace buyers respondents rarely give comments and reviews. Moreover, search engines dominate online shopping activity on an e-marketplace in Indonesia. Most website visitors use search engines before proceeding to e-marketplace web pages to search for and purchase a product (Mudjahidin et al., 2021). Furthermore, from Indonesia's consumer e-purchase behavior point of view, instead of recalling previous shopping experiences in certain e-marketplaces, many consumers are price sensitive. They will compare the price between one seller and another among the available e-marketplaces in the search engines.

Lastly, this study reinforces previous research by Liu & Tang (2018), which stated that the level of trust in the e-marketplaces negatively moderates the influence of trust in online sellers over interest in re-buying in the e-marketplace. Lazada operates similarly to a free e-market (not e-department store) in that it brings together buyers and sellers but is not actively involved in the transaction activities processes. Since there is no direct relationship between Lazada and its consumers, trust in the e-marketplace may not directly convert into the e-seller trust, nor may it affect buyer re-purchase intentions (Liu & Tang, 2018).

Despite the scientific and practical contributions derived from this research, there are some limitations to what future researchers can do to raise the topic of online trust-building mechanisms in the future. First, this research is carried out only within the scope of the B2C e-marketplace and is limited to Lazada Indonesia as the research object. Further research could work out other forms of e-commerce outside the e-marketplace, such as B2B e-marketplace (Akrout & Diallo, 2017; Ratnasingam, 2005), C2C e-marketplace (Wei et al., 2019), and the rise of social media commerce like metaverse shopping (Zhang et al., 2023), and TikTok Shop for Indonesia context. Second, the results of this study only look at the buyer's perspective in the context of an online-trust building mechanism. In contrast, in an e-marketplace sale transaction, e-sellers also frequently connect with shoppers with whom they have not yet any or limited previous interaction. As a result, they are also subject to e-commerce fraudulent activity, such as payment delays for products and excessive customer claims about the products and services (Wei et al., 2019). Therefore, future research could also take the viewpoints of the e-seller better to explain the online trust-building mechanism in the e-commerce context. Third, we only used quantitative studies in our analysis; we did not include qualitative studies, which may have influenced the research outcomes, discussion, and analysis. As a result, we propose that future studies supplement the quantitative findings with qualitative, in-depth interview-based research.

## CONCLUSION

~~Even though Indonesia experiences high penetration rates and internet users, the share of e-commerce transactions to the national economy is still far behind compared to other Asian countries. There is still a high level of concern among buyers in doing transactions on e-commerce because the sellers' identities are anonymous, making them vulnerable to fraud. To reduce uncertainty in online transactions, e-market providers develop online trust-based mechanisms to encourage repeat transactions and purchases.~~

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This study examined how customer trust (on the e-seller and e-market place) and online trust-building processes affect Indonesian e-commerce customers repurchase intentions. The perceived usefulness of institution-based, seller-based, and experience-based online trust-building mechanisms was investigated in this study. This study supported four of the five hypotheses. This study found that customers' trust in the e-market environment increases with their perception of e-commerce service reliability (PUIBM). Moreover, the findings indicate that the perception of convenience in online buying

through a specific e-seller account (PUSBM) will enhance the level of trust placed in e-marketplaces and e-sellers during e-commerce transactions. Nevertheless, the findings of this study indicate that the rating and review system offered by e-commerce, or PUEBM, does not influence the degree of customer trust in e-sellers. Finally, the study demonstrates that implementing a trustworthy, safe, and dependable e-commerce system can enhance faith in e-marketplaces and lessen reliance on e-sellers in e-commerce transactions.

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This study evaluated online trust-building mechanisms using three factors (PUIBM, PUSBM, and PUEBM). The results of this study show that the perceived usefulness of institution-based mechanisms (PUIBM), as well as perceived usefulness of online sellers (PUSBM) has a positive effect on trust in the e-marketplaces. The study also showed that the perceived usefulness of online sellers positively influenced the level of buyer trust in e-sellers. Meanwhile, the perceived usefulness of the experience-based mechanism (PUEBM) did not significantly influence the buyer's confidence in the e-seller. The study found that the level of trust in the e-marketplaces negatively moderates the influence of trust in online sellers over interest in re-buying in the e-marketplace.

This research made scientific and practical advances, but future researchers can do less to study online trust-building mechanisms. First, this study exclusively covers Lazada Indonesia in the B2C e-marketplace. Beyond the e-marketplace, B2B, C2C, and social media commerce like metavere shopping and TikTok Shop for Indonesia should be studied.

E-sellers often contact with buyers with whom they've never interacted before in an e-marketplace selling transaction, but this study exclusively examines the buyer's perspective in the setting of an online-trust building mechanism. Therefore, they are vulnerable to e-commerce fraud such payment delays and exaggerated client claims regarding items and services. Thus, future study might include e-seller perspectives to better explain the online-trust building mechanism in e-commerce.

Third, we excluded qualitative studies from our analysis, which may have affected study findings, discussion, and analysis. Thus, future studies should combine quantitative data with qualitative, in-depth interviews.

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