

ABSTRACT

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The Role of e-WOM Source Credibility on Consumers' Purchase Intention in e-Marketplace Mediated by Perceived Risk; Meike Kurniawati, S. Psi, M. M., and Erik Wijaya, M. Si.; Bachelor of Psychology, Universitas Tarumanagara, (i-xv; 136 pages; P1-P13; L1-L177)

The significant growth of e-commerce businesses in Indonesia leads to an increasing of online shopping behavior within e-commerce platforms, specifically, e-marketplaces. E-marketplaces provide many products and sellers which in turn making the process of choosing alternatives more complex for consumers. Furthermore, potential fraud, illegal activities, defective products, or other unexpected errors done by systems or sellers may increase consumers' perceived risks of online shopping. Previous studies found that online consumers often engage in way to reduce the risks perceived by searching for more information through credible online reviews provided by fellow online shoppers. Through a survey of 385 Millennials, this study provides an empirical analysis of the role of perceived risks in mediating the impact of e-WOM source credibility on online consumers' purchase intention. The result shows that perceived risk mediates the effect of e-WOM source objectivity on online consumers' purchase intention of cosmetic products. Objectivity positively affects perceived risk with $t=4.34$, $p < .05$ and perceived risk affects purchase intention with $t = -3.31$, $p < .05$. The findings have important practical implications for developing e-commerce strategies by mitigating the risks perceived to increase purchase intention of online consumers. The study concludes by providing some avenues for further research.

Keywords: e-WOM, Source Credibility, Perceived Risk, Purchase intention, e-Commerce, e-Marketplace