The Effect of Perceived Risk and Perceived Usefulness on Repurchase Intention Through E-Wom as a Mediation Variable
(Study on TikTok Shop Users in Semarang City)

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Abstract—*TikTok Shop has become a socio-commerce that emerged in 2021 as a digital shopping. In 2023, TikTok Shop had a Gross Merchandise Value (GMV) ranking fourth, indicating that not many people use TikTok Shop to make transactions to meet their fashion product needs. This is suspected due to the perception of risk and perception of usefulness in consumers. This study aims to determine the effect of perceived risk and perceived usefulness on repurchase intention through electronic word of mouth as a mediating variable for TikTok Shop users in Semarang City. This type of research is explanatory research with a quantitative approach. The sampling technique uses purposive sampling. The samples are 97 respondents. This study shows that perceived risk and perceived usefulness have a significant effect on electronic word of mouth. Then, perceived risk and perceived usefulness have no significant effect on repurchase intention, while electronic word of mouth has a significant effect on repurchase intention. Electronic word of mouth gives full mediation to the influence of perceived risk and perceived usefulness variables on repurchase intention. Based on the results of the study, the researcher formulated recommendations for TikTok to always maintain consumer trust by increasing the security of customers' personal data. Then increase consumer productivity by providing discount subsidies for all products so that consumers can increase cost efficiency. TikTok needs to encourage consumers to increase the intensity of reading product reviews according to their respective needs through content. Suggestion for further research is to add e-trust variable to increase trust which leads to repurchase intention*

Keywords—*Perceived risk, perceived usefulness, electronic word of mouth, repurchase intention.*

I. INTRODUCTION

TikTok launched socio-commerce in Indonesia, taking advantage of a huge opportunity where Indonesian people prefer online shopping compared to visiting physical stores. The launch of TikTok Shop in 2021 provided the latest breakthrough in the form of e-commerce on social media. Until 2023, Shopee's gross merchandise value (GMV) in Southeast Asia was US$ 55.1 billion or Rp897 trillion last year. The value is almost 3.5 times higher than TikTok Shop, which was only US$ 16.3 billion. Gross Merchandise Value (GMV) itself is the marketplace's income from the total shopping results of the Indonesian people. The bigger the GMV, the more frequently the marketplace is used. This indicates that TikTok Shop is not widely used to make buying and selling transactions. Not only

that, e-commerce transactions in Southeast Asia as a whole were US$ 114.6 billion or Rp1,853 trillion. In Indonesia itself, e-commerce transactions amounted to US$ 53.8 billion with the following details:

TABLE 1. Marketplaces GMV 2023 in Indonesia

No	Marketplace	GMV	Percentages (%)
1	Shopee	US$ 21.52 billion	40
2	Tokopedia	US$ 16.4 billion	30
3	Open	US$ 5.9 billion	11
4	Tiktok Shop	US$ 4.8 billion	9
5	Lazada	US$ 3.8 billion	7
6	Blibli.com	US$ 2.2 billion	4

Source: databoks.co.id (2024)

Table 1 shows that TikTokshop has a GMV in 2023, which is in 4th place, which is only US$ 4.8 billion. This indicates that not many people make purchases using TikTokShop and choose to use other e-commerce.

TABLE 2. TikTok Shop GMV 2021 – 2023 in Indonesia

No	Marketplace	GMV 2021	GMV 2022	GMV 2023
1	Tiktok Shop	US$ 0.6 billion	US$ 2.6 billion	US$ 4.8 billion

Table 2 shows the GMV of TikTok Shop in Indonesia in the period 2021-2023. It can be seen that there is an increase in GMV, but the reality is the opposite of the expectation that TikTok Shop can dominate the market in Indonesia. Currently, the largest market share is held by the Shopee marketplace. This indicates that TikTok Shop is not widely used by the public. There is a need for in-depth study of the decision-making process. This decision-making process refers to consumer behavior. Consumer behavior according to Priansa (2017) is the behavior displayed by consumers when they search for, buy, use, evaluate, and spend products in order to fulfill their needs and desires. Consumer behavior is closely related to the process of purchasing goods or services because consumer behavior underlies consumers in making purchasing decisions (Firmansyah, 2018).

Risk perception is very crucial for online applications that involve transactions that risk the value spent by consumers to obtain an item. Risk perception is characterized as a state of

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uncertainty that consumers experience when they are unable to foresee the outcomes of their buying choices or can be described as a risk that consumers associate with uncertainty and results (Schiffman and Wisenblit, 2015). Risk is something that companies need to manage in maintaining consumer privacy information so as to maintain consumer trust. Maintained trust can make consumers not hesitate to buy again.

Perceived benefits are also one of the factors that determine consumer purchasing decisions. Perceived benefits according to Dickinger et al. (2008) define perceived usefulness as the extent to which individuals believe that using a service will contribute to achieving a particular goal. The perceived usefulness of an e-commerce by consumers will help consumers in facilitating the buying and selling transaction process. The benefits that are more than other e-commerce will make consumers not hesitate to make repeat purchases.

Consumer purchasing decisions are also based on reviews from other consumers and the number of likes and comments on the product catalog being sold. It is difficult to reach online consumers to buy, this information can be used as a reference for business people to be able to inform consumers of the benefits they get to decide on a purchase, one of the most powerful currently is by utilizing electronic word of mouth (e-Wom). In addition to reviews from other consumers, the main advantage of e-Wom in business is that it allows business people to interact directly with potential consumers, while collecting feedback on certain products, because marketing on social media is not only aimed at persuading consumers to buy (Handoko et al, 2019).

II. THEORETICAL FRAMEWORK

A. Consumer Behavior

Consumer behavior according to Priansa (2017) is the behavior displayed by consumers when they search, buy, use, evaluate, and spend products in order to meet their needs and desires. Consumer behavior is closely related to the process of purchasing goods or services because consumer behavior underlies consumers in making purchasing decisions (Firmansyah, 2018). Furthermore, Yuniarti (2015) defines consumer behavior as actions taken by individuals related to the decision-making process in relation to obtaining, using, and disposing of consumer products. Kotler and Keller (2022) state that consumer behavior is consumer behavior in exploring how individuals, groups, and organizations choose, buy, use, and evaluate goods, services, ideas, or experiences to meet their needs and desires.

B. Perceived Risk

Risk perception is defined as an uncertainty that consumers will face when they cannot predict the consequences of their purchasing decisions or can be said as a risk that consumers feel related to uncertainty and consequences (Schiffman & Wisenblit, 2015). Environmental uncertainty comes from technological communication networks that are outside the user. In fact, information technology operators find it difficult to control (Priyono, 2017). There are four indicators by Mufallihah et al., (2023) that can be used to measure risk perception, namely security guarantees, security system

conditions, time used, and performance disruptions. Meanwhile, according to Yosita and Giri (2016) Consumer perceptions of uncertainty in results related to searching and collecting information about products or services before they decide to buy are considered perceived risks.

C. Perceived Usefulness

Perceived usefulness according to Venkatesh & Davis (2000) defines perceived usefulness as the extent to which a person believes that using a system will improve their performance. Perceived usefulness according to Dickinger et al. (2008) defines perceived usefulness as the extent to which individuals believe that using a service will contribute to achieving a particular goal. In other words, when someone believes that a technology system will provide benefits, they will tend to use the system. Perceived usefulness is also stated in a study by Davis (1989), if the results show that the perceived usefulness factor influences the use of a system, then the system must provide benefits that can be accepted by users when they use it. Perceived usefulness or usefulness refers to a person's view or assessment of how much a product, service, or action provides value or benefit to them. When someone feels that something is useful, they are more likely to adopt or use it. This perception is greatly influenced by personal experience, recommendations from others, and information available about the product or service. The higher the perceived usefulness, the more likely it is to accept and use it continuously.

D. Electronic Word of Mouth

Communication between consumers involving the use of words, writing, or electronic media to share about their benefits or experiences in using a specific product. According to Farzin & Fattahi, 2018) EWOM basically occurs because of the transfer of information. EWOM is also defined by Ismagilova et al. (2017) as a dynamic and ongoing process of exchanging information between potential, actual, or former consumers about a product, service, mark, or company that is available to many individuals and institutions via the internet. Meanwhile, Cong and Zheng (2017) stated electronic word of mouth (e-wom) as a way for "consumers to transfer information of related personal experience, views, comments about the product, service or brand through the network channels to other consumers. " Electronic word of mouth is an informal, non-commercial online communication about opinions of a service or goods, which occurs directly, via telephone, e-mail, or other communication methods (Goyette et al., 2010). According to Abubakar et al (2016) eWom is "any positive or negative statement made by present or previous customers about a product, service or company, which is made available to large audiences via the internet".

E. Purchase Intention

Repurchase intention is an important indicator of consumer behavior that shows a person's tendency to repurchase a particular product or service. Repurchase intention is influenced by various factors, including consumer satisfaction, product quality, price, and service. When consumers are satisfied with their previous experience, they tend to have a higher intention to repurchase the product or service. Therefore,

understanding and analyzing repurchase intention is crucial for companies to develop effective customer retention strategies and increase brand loyalty. In the context of increasingly tight market competition, repurchase intention is also influenced by consumer perceptions of the value provided by the product or service. Factors such as innovation, ease of access, and attractive promotions can increase consumer repurchase intention. Companies that successfully maintain and increase consumer repurchase intention have a greater chance of achieving sustainable business growth. In addition, marketing strategies that focus on building long-term relationships with customers and providing consistent experiences can strengthen repurchase intention, which ultimately has a positive impact on the company's profitability and sustainability.

III. METHODOLOGY

This study aims to determine the effect of perceived risk and perceived usefulness on repurchase intention through electronic word of mouth as a mediating variable on TikTok Shop users in Semarang City. This kind of study is explanatory research utilizing a quantitative methodology. The sampling method employs both accidental sampling and purposive sampling. The number of samples is 97 respondents. The data collection technique is through a questionnaire which is then continued to the processing stage using Smart PLS software version 4.0. Evaluation of Measurement Model (Outer Model) includes validity testing and reliability testing and Structural Model includes r-square and hypothesis testing.

IV. RESULTS

The sample in this study amounted to 97 people who are consumers of TikTok Shop fashion products. The characteristics of respondents in this study were categorized based on gender, age, last education, domicile, type of work and monthly income. Based on the data that has been collected, the majority of respondents are female, as many as 60% of respondents with the majority aged 19 - 23 years. Then most of the respondents live in Tembalang District and Pedurungan District, Semarang City who are students with an average expenditure of IDR 1,000,000 - IDR 2,500,000 per month.
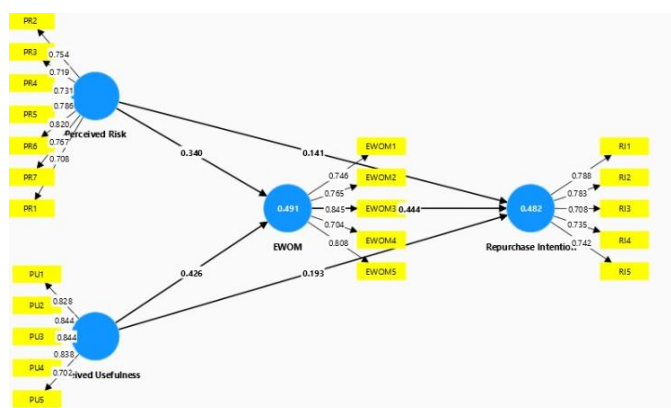

Figure 1. Research Model

Data processing using SmartPLS software. In the Measurement Model Test (Outer Model) There are validity tests (convergent validity and discriminant validity) and reliability tests (composite reliability). The limit considered valid data to measure the relationship between indicators and latent variables is 0.7 (Abdillah, 2018). The variables perceived risk, perceived usefulness, electronic word of mouth and repurchase intention obtained outer loading values above 0.7 so it can be concluded that all variables are valid.

Convergent Validity aims to measure the level of relationship between constructs and latent variables as seen from the standardized loading factor and AVE (Average Variance Extracted). Furthermore, the data is analyzed using the AVE (Average Variance Extracted) score if the score is above 0.5 then it can be considered valid.

TABLE 3. Validity Test

Variables	Average Variance Extracted (AVE)
Perceived Risk	0.571
Perceived Usefulness	0.661
Electronic Word of Mouth	0.601
Repurchase Intention	0.566

Source: Processed primary data (2024)

Table 3 shows the results of the AVE values of all variables that have met the requirements, namely a score above 0.5 so that it can be said to be valid. Furthermore, the Fornell-Larcker discriminant validity test has beenindicates each AVE root exceeds the correlation coefficient between other variables. Therefore, the variable construct is considered valid because the AVE root > correlation coefficient between variables, so that the variable has high discriminant validity and meets the requirements.The next stage is the reliability test as proof that the question items in the questionnaire used are reliable and reliable. The more stable and consistent an answer is, it can be interpreted that the questionnaire is reliable (Ghozali, 2013). Reliability testing can be seen in two ways, namely Composite Reliability and Cronbach's Alpha with a score exceeding 0.70.

TABLE 4. Reliability Test

Variables	Cronbach's Alpha	Composite Reliability
Perceived Risk	0.875	0.903
Perceived Usefulness	0.870	0.907
Electronic Word of Mouth	0.834	0.882
Repurchase Intention	0.810	0.867

Source: Processed primary data (2024)

Table 4 shows the Composite Reliability and Cronbach's Alpha scores owned by each variable have met the requirements, namely exceeding 0.7. The resulting score shows that the question items have high stability and consistency, so that the four variables can be said to be reliable and the high accuracy of the instrument to test its construct, in other words it can be concluded that the reliability of the instrument has been met and can be said to be reliable or reliable.

Structural model testing (inner model) includes R-Square testing and hypothesis testing. Testing on the structural model is done as a way to find out R-Square as a goodness fit test of the model.(Ghozali et al., 2015). R-Square is used to see the influence of independent variables, namely perceived risk,

perceived usefulness, electronic word of mouth on the dependent variable, namely repurchase intention.

TABLE 5. R-Square Test

Variables	R-Square
Electronic Word of Mouth	0.491
Repurchase Intention	0.482

Source: Processed primary data (2024)

The R-Square results in the table show that the influence of the variables perceived risk and perceived usefulness has an influence of 0.491 or 49.1% on electronic word of mouth, while the remaining 50.9% is explained by variables outside this study. And the variables perceived risk, perceived usefulness, and electronic word of mouth have an influence on repurchase intention of 0.482 or 48.2% while the remaining 51.8% can only be described by variables not studied. This influence can be categorized as a passing influence.

The formulated hypothesis needs to be tested so that it can produce proof. The results of the hypothesis test are able to explain the correlation between variables according to the formulated hypothesis. Hypothesis testing is done by looking at the path parameters in the path coefficient and the significance level of the T-statistic. Hypothesis testing using the Path coefficient significance test (Path) is used by dividing the t-statistic score by the T-statistic score at a sig. level of 5% or 1.96, then the hypothesis can be accepted.

TABLE 6. Path Coefficient

	Original Sample	T-Statistics	P-Values
Perceived Risk -> Electronic Word of Mouth	0.340	2,887	0.004
Perceived Usefulness -> Electronic Word of Mouth	0.426	3,533	0.000
Electronic Word of Mouth -> Repurchase Intention	0.444	3.825	0.000
Perceived Risk -> Repurchase Intention	0.141	1.257	0.209
Perceived Usefulness -> Repurchase Intention	0.193	1.848	0.065
Perceived Risk -> Electronic Word of Mouth -> Repurchase Intention	0.151	2.429	0.015
Perceived Usefulness -> Electronic Word of Mouth -> Repurchase Intention	0.189	2.458	0.014

Source: Processed primary data (2024)

Based on table 7, the results of data processing using Smart PLS Software version 3.3.3 show the results of direct effects and indirect effects, including:

a. Perceived risk has a positive effect on electronic word of mouth with a score of 0.340 and t-statistic score of 2.887 > t-table score of 1.96 and p value of 0.004 < sig number 0.05 or 5%.

b. Perceived usefulness has a positive effect on electronic word of mouth with a score of 0.426 and t-statistic score of 3.533 > t-table score of 1.96 and p value of 0.000 < sig number 0.05 or 5%.

c. Electronic word of mouth has a positive effect on purchasing decisions with a score of 0.444 and t-statistic score of 3.825 > t-table score of 1.96 and p value of 0.000> sig number 0.05 or 5%.

d. Perceived risk has insignificant effect on repurchase intention with a score of 0.141 and t-statistic score of 1.257 < t-table score of 1.96 and p value of 0.209 > sig number 0.05 or 5%

e. Perceived usefulness has insignificant effect on repurchase intention with a score of 0.306 and a t-statistic score of 1.848 > t-table score of 1.96 and p value of 0.065 > sig number 0.005 or 5%,

f. Perceived risk has positive effect on repurchase intention through electronic word of mouth with a score of 0.151 and t-statistic score of 2.429 > t-table score of 1.96 and p value of 0.015 < sig number 0.05 or 5%

g. Perceived usefulness has positive effect on repurchase intention through electronic word of mouth with a score of 0.189 and t-statistic score of 2.458 > t-table score of 1.96 and p value of 0.014 < sig number 0.05 or 5%

V. DISCUSSIONS

This study supports the grand theory of Consumer Behavior by Kotler and Keller (2022) which states that consumer behavior is consumer behavior in exploring how individuals, groups, and organizations choose, buy, use, and evaluate goods, services, ideas, or experiences to meet their needs and desires. In the phase of selecting an item to be purchased by consumers, there are considerations to increase self-confidence to buy. Moreover, on online platforms that are considered to have risks that can threaten consumers.

The existence of risk perception provides consideration for consumers before buying a product and thinking about the risks that may occur when buying a product. Not only that, the perception of usefulness is also needed where in buying a product, e-commerce can support consumers in daily productivity and efficiency. The perception of usefulness is necessary because using an online platform is expected to increase effectiveness and productivity in meeting product needs. Electronic word of mouth is also a consideration for consumers because they have known the experiences of other consumers in using the product. Reading other consumer reviews can increase consumer trust and confidence before buying a product.

The first finding shows that perceived risk has a positive and significant influence on electronic word of mouth. This indicates that high risk perception can increase the intensity of reading reviews from other consumers. It is a sign that risk perception is a threat to online platform users, reducing trust in digital platforms, so reading reviews from other consumers' experiences can increase confidence. The higher the risk perception felt by consumers, the higher the consumer's reluctance to buy a product or service. High or low risk perception makes consumers grow trust by seeing and reading testimonials or reviews of the use of e-commerce. By reading reviews or reviews, it is expected to influence the respondent's

perception before deciding to use it.

The second finding shows that perceived usefulness has a positive and significant influence on electronic word of mouth. This indicates that in convincing consumers of the perception of the usefulness of an e-commerce, they still need to read reviews from other consumers as well as increasing confidence in the product to be purchased. Cheung et al. (2008) emphasized that perceived usefulness greatly influences consumer decisions to adopt information from online forums. When consumers do not have a perception of usefulness, consumers need to read reviews and testimonials about experiences. It is hoped that reading reviews can convince consumers to use the product.

The third finding shows that electronic word of mouth has a positive and significant influence on repurchase intention. This indicates that by reading other consumer reviews containing other consumer experiences, it can increase repurchase interest. As consumers trust the experiences of other consumers. Previous research conducted by Eriza (2017) showed that E-WOM has a positive effect on purchase interest and brand image. This indicates that consumers pay attention to consumer perceptions or experiences in choosing or buying a product/service. If someone has a positive attitude towards an online review of a brand, it will increase the recipient's repurchase intention for the products and services discussed well in the review (Heryana, 2020).

The fourth finding shows that perceived risk has no significant effect on repurchase intention. This finding indicates that the perception of risk in using a digital platform can make consumers abandon their intention to make purchases through e-commerce. This requires increased trust by consumers through the experiences of other consumers who have purchased the product. The fifth finding shows that perceived usability has no significant effect on repurchase intention. The use of e-commerce, which is a digital media or means to make it easier for consumers to get products, is expected to provide benefits for consumers' daily lives. However, the benefits of an e-commerce do not always make consumers immediately loyal to e-commerce. This is because consumers need to be sure of the product they are going to buy by reading reviews from other consumers.

The sixth finding shows that perceived risk has a positive and significant effect on repurchase intention through electronic word of mouth. The results show that perceived risk can increase repurchase intention where consumers read product reviews intensively first to convince themselves to buy fashion products. The seventh finding shows that perceived usefulness has a positive and significant effect on repurchase intention through electronic word of mouth. The results show that perceived usefulness can increase repurchase intention where consumers read product reviews intensively first to convince themselves to buy fashion products.

VI. CONCLUSIONS

This study shows that perceived risk and perceived usefulness have a significant effect on electronic word of mouth. Then, perceived risk and perceived usefulness have no significant effect on repurchase intention, while electronic word of mouth has a significant effect on repurchase intention. Electronic word of mouth gives full mediation to the influence of perceived risk and perceived usefulness variables on repurchase intention..

VII. RECOMMENDATIONS

Based on the results of the study, the researcher formulated recommendations for TikTok to always maintain consumer trust by increasing the security of customers' personal data. Subsequently, enhance consumer productivity by offering discount subsidies for all items to enable consumers to improve cost efficiency. TikTok should motivate consumers to boost the frequency of reading product reviews based on their individual requirements through content. Suggestion for further research is to add an e-trust variable to show perceived risk and perceived usefulness whether it can increase trust which leads to repurchase intention. This is in accordance with Venkatesh et al (2002) who developed the Unified Theory of Acceptance and Use of Technology (UTAUT) Model regarding the acceptance of information technology.

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