
THE INFLUENCE OF TRUST SHARIA COMPLIANCE AND RISK PERCEPTION ON PURCHASE DECISIONS AT TIKTOK STORE

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ABSTRACT

Based on data from the Association of Indonesian Internet Providers (APJJI) the number of people connected to the internet will reach 210,026,769 people out of a total population of 272,628,600 people in Indonesia in 2021. Among the popular app and business platforms is Tik Tok. It was recorded that from 2018 to 2022, TikTok users have increased by 490.4% with users in 2022 of 1.53 billion users. This study aims to determine the effect of trust, compliance and perceived risk on purchasing decisions in generation Z of 270 samples. The results of the study show that there is a partial influence of trust and sharia compliance on purchasing decisions at the Tiktok Shop. The next hypothesis states that there is no effect of perceived risk on purchasing decisions at the Tiktok Shop. The fourth hypothesis states that there is a simultaneous influence of trust, sharia compliance and perceived risk on purchasing decisions at the Tiktok Shop. The result of the coefficient of determination (R^2) is 38.5%. This research has many drawbacks, therefore the recommends It is advisable for further researchers to expand the reach of the research area so that it can provide a variety of responses to researchers. Future research may consider using different data collection and data analysis methods.

Keywords: Trust, Sharia Compliance, Perceived Risk and Purchase Decision

INTRODUCTION

In 2020 Indonesia and various countries in the world are experiencing a pandemic. At that time, the Covid-19 virus began to run rampant which resulted in the economy getting worse, many businesses went out of business as a result of the pandemic (Sugianti & Sugianti, 2021). People find it difficult to do other activities such as shopping. With current technological developments, shopping can be done at home through e-commerce. However, not only that, along with technological developments in social media, we can also make purchases online, such as on TikTok (Sa'adah et al., 2022).

The trending of TikTok for the first time in Indonesia brought a bad impression to the public, who considered that TikTok was used for teenagers who were considered "alay" until this application was blocked by KOMINFO. Which then became legit again after changing its function into entertainment and a place of information that is more useful than before. Based on the Business Of App databox, TikTok already has 1.6 billion monthly active users worldwide. This figure is up 4.57% compared to 2022 where the number of users is 1.53 billion users. When compared to 2018, the number of active TikTok users has jumped to 490.4%. The rapid growth in the number of active monthly users of TikTok shows that this application made by Byte Dance is increasingly popular globally. The popularity of TikTok has especially skyrocketed since the start of the pandemic alias in 2020. Indonesia is in the second place with the world's largest number of TikToks, reaching 109.9 million users. This shows that TikTok is one of the social media that is being loved by the community, especially in the age range of 11-26 years who belong to generation Z (Annur, 2023).

TikTok is a form of social media that is currently on the rise and has different features from other social media, which in this application has the characteristics of sharing videos accompanied by filters and song choices, this application is used by various types of ages, ranging from parents to children (Hidayanti et al., 2022). The Tik Tok application launches a feature, namely the Tik Tok Shop feature. In accordance with the name of the Tik Tok Shop feature, Tik Tok Shop is an e-commers service that is included in the

TikTok application (Murhadi & Reski, 2022). This feature, known as the TikTok Shop, has only appeared in Indonesia since early 2021 and has been used more and more until recently. The TikTok shop does not only provide convenience for consumers, but for people who want to trade, they can also trade easily through TikTok,

such as by live streaming, or including product links in a video. With payment methods using ovo, funds, bank transfers and paying on the spot (Sa'adah et al., 2022).

According to Sumage (2013) online fraud uses a *modus operandi*, namely in the form of selling various kinds of goods that are tempting for potential customers because the price is much cheaper than the original price, but after the transaction the ordered goods are not sent and the money is forfeited. Fraud cases occur several times in the online business world so that the trust factor is a key factor of the many factors that influence the occurrence of buying and selling transactions online. Only customers who have trust dare to make purchases online (Hana, 2019).

After gaining trust and a transaction takes place, what must be considered is the perception of risk. According to Schiffman and Kanuk (2007) states that perceived risk is the uncertainty faced by consumers when they cannot predict the consequences of their purchase decisions (Ramadhani, 2021).

This concern can occur in the form of the risk of losing money, leakage of personal identity, security factors, product delivery time factors, and the quality of the product itself. This fact greatly influences consumer purchasing decisions to shop through online media, so transactions through online media must be careful to reduce the various risks faced by buyers (Nabila Gibran; Danny Ramadani, 2021). In Islamic transactions, general principles have been set that must be a reference. This is called sharia compliance, which is a sharia principle that has been regulated by the Islamic religion to distinguish Islamic economics from conventional economics (Mardian, 2019).

The TikTok Shop is not supervised by the Financial Services Authority (OJK) in its buying and selling transactions, so there is no one to protect it in case of fraud. By knowing sharia compliance in buying and selling transactions, we can avoid usury, *gharar*, confusion and unclear delivery times, so we can trust and reduce risk. Knowing the provisions of sharia in online transactions will also bring goodness to buyers and traders .

LITERATURE REVIEW

Trust

Trust is one of the key factors that make customers make purchases, especially when someone makes a purchase online with little risk considerations . According to Gusravsson (2006), without customer trust, transactions on inline shopping sites will be more difficult to occur (Permana, 2020). Trust is the most important thing when we build a business. In a business transaction between two or more parties will occur if each of them trusts each other. (Chotimah, 2019). Barnes in Manalu (2016), trust is a person's desire to find what he wants in an exchange relationship. One's belief that the relationship will get what is expected and can be trusted is called trust (Ilmiyah & Krishernawan, 2020). According to Shadiq, Hidayatullah, & Ardianto (2018), purchase trust in online sellers, how can sellers with their expertise convince buyers in a way or ensure that the transaction will be processed immediately (Rachmawati et al., 2019). The desire of customers to engage in online buying is greatly influenced by their level of trust. Numerous studies have shown that the level of trust consumers have in an online retailer significantly impacts their online purchase decisions (McKnight et al., 2002; Gefen, 2000). Consumers are more likely to get through the worries and ambiguities related to conducting online business when they trust that an online store is trustworthy. The development of trust with Internet customers involves a number of factors. Key components that promote trust include website security, clear privacy rules, dependable customer support, positive ratings, and accessible transaction processes (Kolsaker and

Payne, 2002; Flavián et al., 2006). For businesses looking to draw in and keep clients online, building trust with them is crucial.

In order to establish lasting relationships with clients, trust is crucial. In e-commerce situations, studies found out a link between client loyalty and trust (Cyr et al., 2007; Kim et al., 2009). Customers who trust a brand or online merchant are more likely to make repeat purchases, spread good word of mouth, and refer others to the brand. Furthermore, trust acts as a key mediator in the choice-making process for consumers. According to Pavlou (2003), it affects how consumers view online hazards. Consumers' perceived risk associated with online shopping affects once they trust a retailer (Jarvenpaa and Todd, 1997). In contrast, a lack of trust might increase a consumer's perception of risk, which may discourage them from completing an online purchase.

Sharia Compliance

The term sharia has so far been attached to the designation of Islamic financial institutions, Islamic buying and selling. One of the pillars in the development of buying and selling in Islam is Sharia Compliance. According to Arifin, the meaning of sharia compliance (Shariah Compliance) in Islamic banks is the application of Islamic, sharia and traditional principles in financial and banking transactions and other related businesses. In addition, Ansori also stated that sharia compliance (Shariah Compliance) is an indicator of Islamic disclosure to ensure Islamic bank compliance in other transactions including buying and selling against sharia principles.

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Perceived Risk

According to Sciffman and Kanuk (2000) defines perceived risk as the uncertainty faced by consumers when they cannot predict the impact of their purchase decision. Perceived risk is also interpreted as a person's subjective assessment of the likelihood of an accident occurring and some individuals are worried about the consequences or impacts of this event (I'tishom et al., 2020). Perceived risk is an assumption about uncertainty and unwanted consequences in carrying out a particular activity. According to Azwan H., et al (2016) risk perception is defined as a subjective assessment by consumers of the possibility of an accident and how worried the individual is about the consequences or impact of the incident (Oktaviantari, 2023).

Consumers' perceptions of risk play a key role in what they decide to buy online. According to numerous research (Kim et al., 2008; Jarvenpaa and Todd, 1997),

consumers' perceptions of the dangers related to online purchasing have a substantial impact on their desire to engage in e-commerce. Online buying comes with a number of risks, including those related to financial security, product quality, delivery stability, worries over data privacy, and doubts about the reputation of online shops. Consumer perception of danger can be a major deterrent to internet shopping. Customers' hesitation and refusal to complete online transactions may be caused by high perceived risks (Kim et al., 2009). On the other hand, less perceived risk may inspire customers to shop online with more assurance.

Additionally, cultural and environmental elements may have an impact on how customers perceive risk in e-commerce. Consumers' perceptions of danger when shopping online can be influenced by many cultural norms, values, and prior experiences (Abdul-Muhmin et al., 2020). Businesses that operate in a variety of markets, therefore, need to be aware of these cultural differences and adjust their strategy as necessary. Trust can act as a mediator in the decision-making process for customers and have an impact on how they view online dangers (Pavlou, 2003). Similar to this, Muslim customers' perceptions of risk may change if they prefer halal and ethically sound options (Ramli et al., 2019).

METHODS

To answer the problems we wrote earlier, the type of research we use is quantitative research. Quantitative research according to Creswell (2009) quantitative research methods are methods-methods to test certain theories by examining the relationship between variables. Variables are usually measured by research instruments so that data consisting of numbers can be analyzed, based on statistical procedures. This research is a form of experimental research using multiple linear correlation study analysis. Data collection techniques, namely interviews, documentation and questionnaires using a Likert scale scale. This quantitative research departs from the paradigm of understanding what is sought, its origin, and its relationship with others, which cannot be separated from the context. The data collected is in the form of numbers (numbers) as symbols of an event or incident and analyzed using statistical techniques.

Multiple linear regression analysis is used to determine the extent of the influence of the independent variable (x) on the dependent variable (Y) (Mardiatmoko, 2020). This method connects one dependent variable with many independent variables. In this study the dependent variable is purchasing decisions through social networks, while the independent variables are trust, sharia compliance and perception of risk. The relationship model of purchasing decisions through social networks with the independent variables is arranged in the following equation:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Where :

- Y : Purchase decision
- a : Constant
- b₁ b₂ b₃ b₄ : Regression coefficient
- X₁ : Trust
- X₂ : Sharia Compliance
- X₃ : Perception of Risk
- e : Error

RESULTS

Hypothesis Test

This hypothesis testing was carried out with the aim of testing the effect of the independent variables on the dependent variable. Following are the results of data processing using SPSS 2023.

Table 1. Significance Calculation Results

Variable	T Count	T Table	Criteria
Trust (X1)	2,718	1968	Influence on Y
Sharia Compliance (X2)	2,450	1968	Influence on Y
Perceived Risk (X3)	1,258	1968	Has no effect on Y

Source: Processed Data, 2023

It can be concluded that the variables of trust, sharia compliance and perceived risk have significance in purchasing decisions. This is evidenced by the calculated t value which is greater than the t table value (1.968)

Determinant Coefficient (R²)

The coefficient of determination is used to calculate the magnitude of the independent variable (green marketing and green perceived quality) on the dependent variable (green purchase intention).

Table 2. R Square Determination Test Results

Summary Model ^b				
Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.385 ^a	.148	.138	1.81517
a. Predictors: (Constant), Perceived Risk, Trust, Sharia Compliance				
b. Dependent Variable: Purchase Decision				

Source: Processed Data, 2023

Based on the table above, the results of calculating the correlation coefficient test obtained a correlation value of 0.385, which means that the relationship between the variables of trust, sharia compliance and perceived risk with the purchase decision variable is quite strong, namely 38.5% and the remaining 61.5% is influenced by other factors that are not described in this study.

DISCUSSION

The Effect of Trust on Purchase Decisions at the Tiktok Shop

Based on the linear regression analysis, the value of trust has an influence of 0.137 on purchasing decisions at the Tiktok shop. This means that if the trust variable increases by 1 unit, it will affect the decision to buy a Tiktok shop by 0.137. This shows that the purchase decision of a ditiktok shop is influenced by one's trust. So it can be interpreted that if the trust variable increases, then the purchasing decision variable also increases because there is a one-way relationship between the two variables. The higher the level of consumer confidence, the higher the likelihood that consumers will make a purchase. Because when consumers already have trust in merchants in the online environment, their worries about the risks that will occur will no longer be a barrier (Hadi et al., 2021). Apart from that, this research is also supported by several studies which state that trust influences purchasing decisions. ditiktok shop. Among them is Khairunisa's research (2022) entitled The Influence of Trust, Perceived Risk and Sharia Compliance on Decisions to Transact Through Instagram. The results of his research show that trust has a positive and significant effect on purchasing decisions. Furthermore, there is research conducted by Warner Ria Murhadi, Eva Cahya Riski (2022) with the title Effects of E-Service Quality, Brand Awareness, Trust, Word Of Mouth, and Satisfaction with Customer Loyalty at Tiktok Shop (Study on Tiktok Shop Customers) there is a positive influence between E-service Quality and customer trust. Research also finds that E-service Quality has a positive effect on customer satisfaction.

So the influence of trust in this study can be concluded that there is an influence of trust on purchasing decisions on the Tiktok shop. The higher the level of consumer trust, the higher the likelihood that consumers will make a purchase.

The Effect of Sharia Compliance on Purchase Decisions at the Tiktok Shop

Based on the linear regression analysis, the value of sharia compliance has an effect of 0.148, which means that if sharia compliance increases by 1 unit, it will cause an increase in purchasing decisions at Tiktok shop by 0.148. This shows that the purchasing decision of the ditiktok shop is influenced by sharia compliance. So it can be interpreted that if the sharia compliance variable increases, then the purchase decision variable for the ditiktok shop also increases because there is a one-way relationship between the two variables. Sharia compliance is the fulfillment of sharia values in Islamic financial institutions which make the DSN MUI Fatwa and Bank Indonesia (BI) regulations as measuring tools for sharia principles, both in products, transactions and operations. Sharia compliance is a manifestation of fulfilling all sharia principles in institutions that have characteristics, integrity and credibility in both sharia banks and non-banks. Where the compliance culture is the values, behaviors and actions that support the creation of sharia compliance (Irawan & Sudewi, 2021).

The results of this study are supported by previous research conducted by Khairunnisa (2022) entitled The Influence of Trust, Perceived Risk and Sharia Compliance on Decisions to Make Transactions Through Instagram where the results of the study show that sharia compliance has a positive and significant effect on purchasing decisions. Based on the results of this research and opinion, it can be concluded that there is an influence of sharia compliance on purchasing decisions at the Tiktok shop.

The Effect of Perceived Risk on Purchase Decisions at the Tiktok Shop

Based on the linear regression analysis, the value of the sharia compliance variable has an influence of 0.052, which means that if sharia compliance increases by 1 unit, it will cause an increase in the purchase decision of the Tiktok shop by 0.052. Perceived risk is assessed as the level of consumer perception of the negative results obtained from online transactions. Perceived risk is the uncertainty that consumers face when they cannot predict the future consequences of their purchasing decisions (Haryani, 2019).

Indicators for assessing risk perception variables include product risk, namely product risk refers to the uncertainty that the product purchased will be as expected. Transaction risk, namely transaction risk, is the uncertainty that will result in harming consumers in the transaction process. Psychological risk, namely psychological risk is fear - fear that may occur during the purchase or after the purchase.

The results of this study are supported by previous research by Oci Aprilia (2021) entitled The Influence of Perceived Risk and Perceived Technology on Consumer Satisfaction Shopping at E-Commers Shopee with the results of the research that perceived risk has a negative effect on consumer satisfaction shopping at e-commers Shopee. In addition, research by Bobby Esa Pratama (2019) entitled The Influence of Trust, Information Quality, and Perceived Risk on Purchase Decisions at Shopee with the results of research on the variable trust, information quality has a positive and significant effect on purchasing decisions at Shopee and perceived risk has no significant effect on purchasing decisions at shopee. Based on the results of this research and opinion, it can be concluded that there is no effect of perceived risk on purchasing decisions at the Tiktok shop.

The Effect of Trust, Sharia Compliance and Perceived Risk on Purchase Decisions at Tiktok Shop

Based on the data obtained by the perolet researchers in this research, it shows that independent variables have a positive and significant influence on purchasing decisions. This can be proven by the results of the F test which has a Fcount value greater than Ftable or $15,403 > 2,638$. So it can be concluded that trust, sharia compliance and

perceived risk are quite good and have a high enough influence on purchasing decisions on tick-tock shops. This research is also supported by research that is in line, namely Sri Wahyuningsih (2016) entitled Effects of Trust, Security, Sharia Compliance, And the Perception of Risk on Purchasing Decisions through Social Networking Sites with the results of the variable trust, security, sharia compliance and perceptions of risk simultaneously have a positive and significant influence on purchasing decisions through social networking sites.

CONCLUSION

Based on the results of research conducted regarding the influence of trust, sharia compliance and perceived risk on purchasing decisions at tiktok shops with a population of generation Z in Pekanbaru.

Trust influences purchasing decisions at the tiktok shop. Thus, trust influences Generation Z in Pekanbaru towards purchasing decisions at the Tiktok shop. Sharia compliance (sharia compliance) influences purchasing decisions at the tiktok shop. Thus sharia compliance (sharia compliance) affects the generation Z community in Pekanbaru on purchasing decisions at the Tiktok shop. Perceived risk has no effect on the purchase decision of the tiktok shop. Thus the perception of risk does not affect Generation Z in Pekanbaru towards purchasing decisions at the Tiktok shop. Trust, sharia compliance and perceived risk have a significant effect on purchasing decisions at the Tiktok shop. With the results of a significance value of $0.01 < 0.05$, it can be concluded that trust, sharia compliance and perceived risk simultaneously influence the purchasing decision of the ditiktok shop.

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