

The Role of Knowledge and Trust in Online Purchase Decisions: A Case Study of E-Commerce Users

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ABSTRACT

The development of e-commerce has changed the pattern of consumer behaviour in making purchases. The decision to make online purchase decisions is strongly influenced by various factors, especially consumer knowledge and trust in the e-commerce platform. This study aims to understand how knowledge and trust play a role in shaping online purchase decisions. This research uses a qualitative approach with the method of in-depth interviews with e-commerce users who actively shop online. The results showed that the level of consumer knowledge about the transaction system, return policy, and payment security affects their trust in the e-commerce platform. In addition, trust in the reputation of the seller and other user reviews is also an important factor in purchasing decisions. Implications of the research can help e-commerce developers improve marketing strategies and build a more robust system to increase customer trust.

INTRODUCTION

Advances in digital technology have brought significant changes to people's consumption patterns (Laudon & Traver, 2020). Digital transformation in various sectors, including commerce, allows people to access products and services more quickly, efficiently, and flexibly. One of the main aspects of trade digitization is the emergence of e-commerce, which is now an important pillar in the economic system. which is now an important pillar in the global economic system. E-commerce continues to grow with various platforms that offer ease of transactions, from product search to payment process, which can be done anytime and anywhere (Kotler & Keller, 2016).

The rapid growth of e-commerce is supported by the increasing internet penetration, especially in developing countries. According to Statista (2023) the number of e-commerce users worldwide is estimated to have surpassed 4.5 billion people by 2023, indicating a shift in consumer behaviour from conventional to digital shopping. From conventional to digital shopping. This trend is also influenced by the increasing use of mobile devices and digital payment methods, which further online transactions (T. Chen et al., 2022).

Despite offering various conveniences of e-commerce transactions, e-commerce transactions face various challenges, especially related to the level of trust and consumer knowledge of the online trading system. Security transactions are a major concern, given the increasing cases of fraud, data theft, and other risks that can harm e-commerce users (Butt et al., 2017). A recent study conducted by Wang et al. (2020) Showed that concerns about personal data protection and transaction risks are the main obstacles for some consumers in making e-commerce their primary shopping method.

In addition, the authenticity of the product is also an important factor in making purchasing decisions. Making purchasing decisions. Discrepancies between the products shown in the advertisement and the product received can lead to a decrease in customer satisfaction levels (Chiu et al., 2014). Seller reputation, both influenced by previous customer reviews and policies implemented by the e-commerce platform, also determines the online purchase decision (Kim et al., 2008). Research by Chen et al. (2022) Revealed that verified positive reviews can increase trust in the seller and the products they offer.

In this context, consumer knowledge about the mechanisms of e-commerce is a key factor in reducing risk and increasing their trust in digital platforms. Consumers who understand online transaction systems, return policies, payment methods, as well as how to identify trusted sellers tend to be more confident in making online purchases (Chin et al., 2020). Conversely, a lack of digital literacy and understanding can increase hesitancy and hinder purchase decision-making. Purchase decision-making. Digital education and financial literacy factors also play an important role in improving consumers' readiness to engage in the digital economy safely and conveniently (Xiao & Porto, 2022).

Consumer trust is a fundamental element in electronic commerce activities, serving as the foundation for establishing relationships between consumers and digital service providers. In an environment where buyers and sellers do not interact face-to-face, trust functions as a substitute mechanism to

reduce uncertainty and perceived risk. Consumer trust is shaped by various factors, including the seller's integrity, the reliability of the platform system, the transparency of product information, and previous shopping experiences. A study by Rabiana & Akib (2020) Revealed that trust significantly influences online purchasing decisions, contributing 35.1% to the decision-making variable. Similarly, research by Marpaung (2024) Found that consumer trust accounts for 46.8% of purchasing decisions, emphasising its critical role in the Indonesian e-commerce landscape. E-commerce platforms that successfully cultivate a secure image, offer transaction guarantees, and facilitate open communication between sellers and buyers are more likely to earn user trust. Therefore, strengthening consumer trust should become a core strategy in e-commerce development to foster long-term, mutually beneficial relationships between businesses and consumers.

Based on these problems, this study aims to explore the role of knowledge and trust in online purchasing decisions online purchase decisions. Using a qualitative approach, this study will explore experiences and perspectives of e-commerce users in making purchasing decisions as well as the purchase decisions as well as the factors that influence their level of trust in online platforms and sellers. The results of this study are expected to provide insights for e-commerce industry players in designing strategies to increase transparency, security, and convenience in online shopping for consumers. Convenience in online shopping for consumers. By understanding factors that influence purchasing decisions, the e-commerce industry can continue to grow as a trusted and innovative commerce ecosystem.

LITERATURE REVIEW

Consumer Knowledge

The word to know is rooted in the term, which in the Big Indonesian Dictionary (KBBI) has various meanings, such as understanding and knowing after experiencing (KBBI) has various meanings, such as understanding and knowing after experiencing, witness, or seeing something. Any form of information obtained through the direct experience of individuals is categorised as knowledge. As a person's experience increases, so does the scope and depth of his or her knowledge. Curiosity about something can encourage individuals to acquire knowledge by using various appropriate methods and tools. In this case, the process of observing or feeling something becomes the first step in understanding an object or phenomenon (Darsini et al., 2019).

In the world of electronic commerce (e-commerce), consumers understand of various aspects of online transactions, such as aspects of online transactions, such as payment systems, return policies, and product reviews, plays an important role in building a positive return policies, and product reviews, plays an important role in building trust and influencing purchasing decisions trust and influencing purchase decisions. Consumers who have a better understanding of the mechanics of e-commerce tend to feel safer when making transactions because they can anticipate risks and choose the best when making transactions. After all, they can anticipate risks and choose the payment method that best suits their needs.

Customer Trust

Customer trust is a fundamental factor in online transactions that determines the sustainability of interactions between consumers and e-commerce service providers. According to Gefen et al. (2003) the level of consumer trust in electronic commerce e-commerce is influenced by several main factors, such as perceptions of transaction security, seller credibility, and previous shopping experience. Transactions, seller credibility, and previous shopping experience. This trust plays a role in reducing the uncertainty that often arises in digital transactions and helps minimise the risks that may be faced by consumers. And helps minimise the risks that consumers may face. A study by Kim et al. (2008) shows that the higher the level of trust in an e-commerce platform, the more likely they are to make repeat purchases. To make repeat purchases. This indicates that trust not only affects the first purchase decision but also contributes to customer loyalty in the long term.

Online Purchasing Decision

According to Kotler & Keller (2016) Purchasing decisions are influenced by various internal and external factors, such as individual needs, social references, and previous shopping experiences. Consumers tend to consider key aspects, such as product quality, price, and brand popularity, before making a purchase decision. Decision to buy goods or services. These factors play a role in shaping consumers' perception of the value of a product, which ultimately determines whether or not they will make a purchase. They will make a purchase or not. After consumers try a product and are satisfied with its quality and benefits, they tend to become repeat customers and make repeat purchases become repeat customers and make repeat purchases.

In the context of electronic commerce (e-commerce), customer reviews and testimonials from other users become one of the crucial elements that influence purchasing decisions. Consumers who cannot see or try products in person rely heavily on the experiences of others in assessing the credibility of a product. Rely heavily on the experience of others in assessing the credibility of a product or seller (Chiu et al., 2014).

METHODOLOGY

This research applies a qualitative approach with a phenomenological study method to gain an in-depth understanding of the knowledge and trust of e-commerce users in the purchase decision-making process. As stated by Creswell (2014) A qualitative approach allows researchers to explore the subjective experiences of individuals in depth. Data collection was carried out through semi-structured interviews to gain a broader understanding of the factors that influence consumer trust and purchase decisions (Miles et al., 2014). This approach aims to organise patterns and meaning that emerge from empirical data to obtain comprehensive findings regarding the factors that influence purchasing decisions in the e-commerce ecosystem.

RESEARCH RESULT AND DISCUSSION

The Role of Knowledge on Purchasing Decisions

Consumer knowledge about e-commerce systems plays a significant role in influencing purchasing decisions. Based on the interview results, consumers with a broader understanding of the mechanism of online transactions tend to have a higher level of confidence in making purchases. They can recognize the characteristics of a trusted shop or seller, understand how to avoid fraud, and choose safer payment methods. In addition, consumers who have adequate knowledge also tend to utilize consumer protection policies, such as warranties, goods returns, and dispute resolution mechanisms provided by e-commerce platforms (Kotler & Keller, 2016). In addition, research conducted by Qiu & Zhang (2024) highlighted the importance of transparency of product information, protection of personal data, and clarity of the return system in building and maintaining trust. Return system in building and maintaining consumer trust in e-commerce platforms. Consumers tend to be more confident in making transactions if they obtain accurate information about the products offered, feel that their data is managed well, and have assurance of the possibility of returns. Well, and have assurance of the possibility of returning goods if there is a mismatch with expectations.

Furthermore, a study conducted by Lee & Turban (2023) emphasized that interactive features in e-commerce, such as responsive live chat services, verified customer reviews, and the use of escrow payment systems, increase the sense of security and comfort in e-commerce. Online shopping. It is not only the technological aspects that affect the level of consumer trust, but also the policies and after-sales service provided by the e-commerce platform (Wu & Huang, 2014). Service providers that can offer clear policies that support consumer protection, such as product warranty and responsive customer service, tend to be more trusted by consumers. Therefore, trust in online transactions does not depend only on technical aspects, but is also influenced by the quality of service and experience provided by the platform. Influenced by the quality of service and experience provided by the platform to its users.

The Role of Trust in Online Purchases

Trust in e-commerce platforms and sellers is one of the main factors in making purchasing decisions. Based on the results of interviews, trust plays an important role in online purchasing decisions. Consumers tend to choose platforms and stores with a good reputation, characterised by high ratings, positive reviews, and guaranteed transaction security. Key factors that build trust include transparency of product information, return policy, and quick response from the seller. Negative experiences, such as receiving a product that does not fit, can decrease trust, while a recommendation from a friend or a review on social media can

strengthen it. Factors that contribute to building trust include reviews and testimonials from other users, rating and reputation of the seller, transparency of product information, and clarity of transaction policies, including shipping and returns (Gefen et al., 2003).

In addition, a study conducted by Zhang & Zhang (2024) showed that a high level of digital literacy has a positive impact on the online shopping experience. Online shopping experience. Consumers who have a good understanding of technology are more able to recognise the credibility of a platform, understand consumer protection policies, and make more informed purchasing decisions. Wise purchasing decisions. Thus, improving digital literacy and understanding about e-commerce is crucial in creating a safer and more convenient online shopping experience. A safer and more convenient online shopping experience. Therefore, e-commerce providers need to ensure that their systems are transparent and capable of providing security assurance to increase user loyalty.

Other Contributing Factors to Online Purchase Decisions

Apart from knowledge and trust, several other factors contribute to influencing consumer purchasing decisions. Contribute to influencing consumer purchasing decisions. The results of the analysis show that promotions, discounts, and recommendations from friends and family also play an important role in encouraging consumers to buy. Family also play an important role in encouraging consumers to transact online. A study conducted by Y. Chen et al. (2015) found that discount programs and marketing strategies based on social recommendation-based marketing strategies can increase purchase conversions by up to 30%. In addition to easy access to product information and the presence of price and quality comparison features also supports consumers in making decisions. Price and quality comparison features also support consumers in making more rational and informed decisions. Decision making that is more rational and informed. Thus, the success of e-commerce in attracting consumers depends not only on trust and knowledge but also on effective and knowledge-based marketing strategies. But also an effective marketing strategy based on customer experience.

CONCLUSIONS AND RECOMMENDATIONS

This research shows that knowledge and trust have a significant role in online purchasing decisions. Consumers who have better knowledge about e-commerce systems tend to be more confident and less risk-averse in online shopping. Trust in the platform and seller is also a major factor that influences purchasing decisions. Influence the purchase decision. Therefore, e-commerce providers need to improve information transparency, strengthen security systems, and optimise user review systems to increase trust. Optimise the user review system to increase customer trust.

ADVANCED RESEARCH

In addition to knowledge and trust, advanced research highlights the growing importance of perceived value and user experience in shaping online

purchasing decisions. Studies indicate that consumers are more likely to complete transactions when they perceive high value not only in the product itself but also in the overall shopping process, including website usability, personalization, and responsive customer service. Seamless navigation, fast loading times, and tailored product recommendations contribute to a positive user experience, reinforcing trust and satisfaction. As such, e-commerce platforms should leverage data analytics and AI-driven tools to enhance personalization and streamline the shopping journey, further encouraging consumer engagement and conversion.

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