

CHAPTER III

THEORETICAL FRAMEWORK & HYPOTHESIS

3.1 Theoretical Framework

In a clear theoretical framework, usually there are known facts about the phenomena that are the subject of research, and a concept is actually a brief definition of a group of facts or symptoms. In connection with the above, in the discussion of this conceptual definition the researcher will explain several concepts related to research entitled "The Influence of price, shipping cost, and delivery time on Cross-border e-shopping intention for customer in Indonesia, namely:

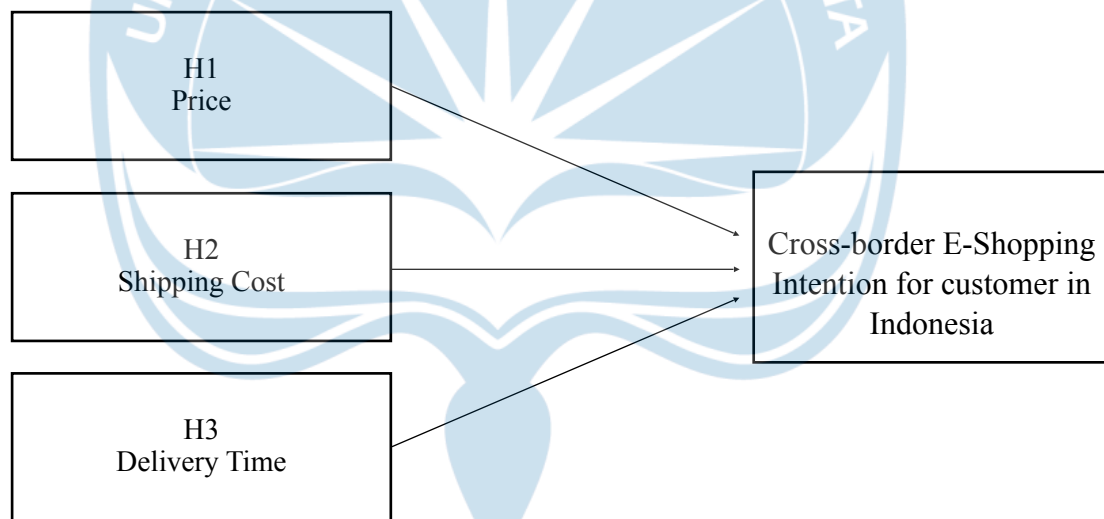


Figure 2.4
Theoretical Framework of this research

Independent Variable:

- Price
- Shipping Cost
- Delivery Time

Dependent Variable: E-Shopping Intention for customer in Indonesia.

This study examines how the effect of price, shipping costs, and delivery time on cross-border e-shopping intention for customers in Indonesia. There are four variables tested in this study, namely: price (independent variable), shipping cost (independent variable), and delivery time (independent variable) on cross-border e-shopping intention for customers in Indonesia (dependent variable). The variables of price, shipping cost and delivery time are thought to affect cross-border e-shopping intention for customers in Indonesia. Therefore, researchers will conduct further research to determine how the effect of price, shipping costs and delivery time on cross-border e-shopping intention for customers in Indonesia.

3.1.1 Influence of Price towards cross-border E-shopping intention

Price is one of the factors that influence e-shopping intention, because the ability of consumers to buy a product is determined by the money they have and consumers will definitely compare it with the benefits and advantages they get when buying a product (Prabowo, 2016). Consumers are individuals with different characteristics. The assessment that every consumer feels about a product or service they receive is not the same. Consumers' perceptions of a price can influence the decision to buy a product so that the seller must be able to provide a good perception of the products or services they sell. Another researcher, Bandyopadhyay (2019) stated that price transparency can help consumers to choose. Clear price transparency will reduce consumer perceived risk and increase trust in foreign shopping sites. The total price of the items to be purchased, including international shipping charges and any applicable taxes, must be clearly stated on the product page so that customers can see them before adding the product to the shopping cart.

3.1.2 Influence of Price towards cross-border E-shopping intention

Shipping costs are a very important aspect and have a significant effect on consumer purchase intention. Buyers generally consider the size of the shipping cost before deciding whether to buy an item or not. That way, it is necessary to do a strategy in determining shipping costs to match the buyer. If shipping costs are too high, this will make buyers compare with competing products or other e-commerce platforms that can provide cheaper prices for shipping costs. Meanwhile, giving shipping costs that are too cheap can result in cutting profits too much, causing losses to sellers. This proves that the size or size of shipping costs can affect purchase intention.

3.1.3 Influence of Delivery Time towards cross-border E-shopping intention

Delivery time is the most crucial aspect in online shopping because it is one of the aspect of the quality of delivery service that can give a significant aspect to purchase intention. based from the research from Gawor and Hoberg (2018), delivery speed has the effects on consumer preferences for an online purchase. If the estimated time the ordered goods arrive stated exceeds a reasonable time limit, the buyer will rethink about their purchase intention. Also, it can increase the consumer's perception in term of risk and ambiguity, like a sceptic feeling whether the package is still on the way or either something wrong is happening to their package. On the other hand, good delivery speed and clarity about the estimated arrival of goods at their destination can increase customer satisfaction and purchase intention.

3.2 Hypothesis

According to Sugiyono (2014: 134) the hypothesis is a temporary answer to the formulation of research problems, where the formulation of the research prob-

lem has been stated in the form of a question sentence. After the hypothesis is formulated, the researcher tests it through research, therefore, the hypothesis is presented only as a temporary solution to the problem, with the understanding that the research carried out may result in rejection or acceptance of the hypothesis presented, the hypothesis proposed in this study is:

- H1 : There is a positive influence between price and Cross-border E-Shopping Intention for customer in Indonesia.
- H2 : There is a positive influence between shipping cost and Cross-border E-Shopping Intention for customer in Indonesia.
- H3 : There is a positive influence between delivery time and Cross-border E-Shopping Intention for customer in Indonesia.

