

THE EFFECT BETWEEN COD AND BANK TRANSFER PAYMENT METHODS ON CONSUMER SATISFACTION IN MAKING ONLINE PURCHASE TRANSACTIONS : A CASE STUDY OF FEB UNIMAL STUDENTS

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Abstract

This study aims to analyze the influence of Cash on Delivery (COD) and bank transfer payment methods on consumer satisfaction in *online* purchasing transactions among students of the Faculty of Economics and Business (FEB) at Malikussaleh University. The primary data for this research were obtained through questionnaires distributed to students who had previously made *online* purchases. The population consisted of 2,809 students, and using the Slovin formula with a 10% margin of error, a sample of 97 respondents was determined. This number was rounded up to 100 respondents for ease of analysis. The sampling technique used was purposive random sampling, with criteria including active student status and prior experience in *online* shopping. The results showed that both COD and bank transfer payment methods had a positive and significant effect on consumer satisfaction. The partial test results revealed a t-value of 9.033 for COD and 9.063 for bank transfer, both exceeding the t-table value of 1.660 with a significance level of 0.000, leading to the acceptance of hypotheses H1 and H2. The simultaneous test also confirmed that both independent variables together significantly affect consumer satisfaction, with an F-value of 713.640 and a significance level of 0.000. These findings indicate that the chosen payment method plays a crucial role in determining consumer satisfaction. COD tends to provide a higher sense of security, while bank transfers are perceived as faster and more efficient especially by students who are familiar with digital financial services.

Keywords: *Cash on Delivery (COD), Bank Transfer, Consumer Satisfaction).*

INTRODUCTION

The growth of e-commerce in Indonesia has experienced a significant surge in recent years. Factors such as technological advancements, internet penetration, and increased smartphone usage contribute greatly to this trend. According to Evita et al. (2023), the number of internet users in Indonesia has reached more than 212 million, with most of them conducting online transactions. This change in consumption patterns is most noticeable in the younger generation, including students, who are one of the main user segments of e-commerce services. In the context of online shopping, payment methods are an important element that affects consumer satisfaction. The two most popular methods in Indonesia today are Cash on Delivery (COD) and bank transfers. Each method offers its own advantages and disadvantages.

Research by Singh and Kaur (2022) shows that although COD increases the sense of security and convenience, bank transfers are more in demand by consumers who are used to digital transactions because they are considered more efficient and secure. The COD method allows consumers to pay after the goods are physically received, providing an opportunity to ensure the quality of the product. Sahrullah (2023) said that this method is widely used by consumers who are worried about the risks of online transactions and feel more satisfied when goods meet expectations. Meanwhile, bank transfers offer speed and efficiency, and are preferred by consumers who have high trust in the transaction system. In Lhokseumawe, in the last five years, there has been a trend of changing consumer preferences towards both payment methods. Initial observations on 30 students of the Faculty of Economics and Business, Malikussaleh

University who have made online transactions showed differences in preferences. Some students prefer COD because it provides control over the quality of goods, despite obstacles such as limited service areas and absence during delivery. On the other hand, students who are familiar with digital systems tend to choose bank transfers despite still having concerns about data security and the risk of transaction failure. Previous research has also highlighted differences in motivation for using payment methods. Hamdi et al. (2024) show that COD is often used by novice consumers who are still hesitant about digital transactions, while bank transfers are preferred by consumers who are already regularly shopping online. However, Wibowo (2020) argues that payment methods do not significantly affect the purchasing decisions of millennial consumers. Factors such as price, product reviews, and platform reputation actually have a stronger influence in influencing their decisions. Based on this description, this study aims to analyze the factors that affect the level of satisfaction of FEB Malikussaleh University students in using COD and bank transfer payment methods in online purchase transactions, as well as to identify preference trends based on the level of trust and security perception of payment methods.

LITERATURE REVIEW

In the rapidly evolving digital era, payment methods in e-commerce transactions play an important role in shaping consumer experience and satisfaction. Several studies show that the choice of payment method is not only related to functional convenience, but also to the perception of security, trust, and transaction value (Choi et al., 2022; Bohalima & Hanum, 2022). This study specifically highlights the two dominant payment methods in Indonesia, Cash on Delivery (COD) and bank transfers, and their influence on student satisfaction as digital consumers.

1. Teori Expectancy Disconfirmation

The Expectancy Disconfirmation model (Oliver, 1980) is the main foundation in understanding consumer satisfaction. According to this theory, satisfaction is determined by the extent to which the perception of the actual performance of a service or product can meet or exceed the consumer's initial expectations. When expectations are met or exceeded (positive disconfirmation), satisfaction increases; On the other hand, if it is below expectations (negative disconfirmation), then dissatisfaction occurs. This theory has proven to be relevant in the context of online transactions, including in the choice of payment methods

2. Cash on Delivery (COD) Payment Method

COD is a method that allows consumers to pay for goods after physically receiving the product. Several studies have found that COD fosters a sense of security because it allows consumers to verify the quality of products before payment (Chaffey & Smith, 2022; Sahrullah, 2023). This method is widely used by new consumers or those who are skeptical of the security of digital transactions. The main indicators in assessing the effectiveness of COD include trust, security, additional costs, and transaction risk (Bohalima & Hanum, 2022; Kiki Setio, 2024).

3. Bank Transfer Payment Methods

Bank transfers are considered a fast, efficient, and secure method, especially by consumers who are familiar with digital financial services (Leonard & Tarigan, 2023). Research by Kenneth C. & Guercio (2019) confirms that security elements, user authentication, and transaction speed are important factors in building customer satisfaction on this method. The use of mobile banking and two-factor authentication systems is considered to be able to increase trust and convenience in transactions.

4. Consumer Satisfaction in the Context of E-Commerce

Consumer satisfaction in online shopping is not only influenced by the price and quality of the product, but also depends heavily on convenience and security during transactions, including payment methods (Kotler & Keller, 2021). According to Khanijoh et al. (2020), perceived value by consumers and

customer loyalty are positively correlated with satisfaction resulting from the entire transaction process. Titasari et al. (2023), show that COD payment methods have a significant influence on purchasing decisions and consumer satisfaction. However, findings from Wibowo (2020) and Dewi Anggraeni (2022) state that payment methods do not directly affect millennials' purchasing decisions, but are influenced by variables such as platform reputation and product reviews. This shows the difference in outcomes and the complexity of consumer behavior.

METHOD

Based on the research variables, this research approach uses a quantitative approach with a survey method. The goal is to find out the influence of *Cash on Delivery* (COD) and *bank transfer payment methods* on consumer satisfaction in online transactions. This approach was chosen to measure the relationship between variables statistically through the deployment of a structured questionnaire. The population in this study is active students of the Faculty of Economics and Business, Malikussaleh University who have made online purchases, totaling 2,809 people. The determination of the number of samples was used the Slovin formula with a margin of error of 10%, so that 97 respondents were obtained which were then rounded to 100 respondents for ease of analysis. The data used were primary data, which were obtained through an online questionnaire with a Likert scale of 1–5. In addition, secondary data is collected from previous literature such as scientific journals, books, articles, and relevant statistical reports. In this study, the independent variables consisted of:

- X1 (COD): Measured through trust, security, additional costs, and risk indicators (Bohalima & Hanum, 2022)
- X2 (Bank Transfer): Measured through indicators of processing speed, system security, user authentication, and transaction fees (Kenneth C. & Guercio, 2019) The bound variable (Y) is consumer satisfaction, which is measured by indicators of perceived quality, value for money, customer expectations, and loyalty (Kotler & Keller, 2021)

Data Collection and Processing Techniques The questionnaire instruments are compiled based on the indicators of each variable and distributed online. Furthermore, the data was analyzed using multiple linear regression to determine the partial and simultaneous influence between X1 and X2 on Y, accompanied by a classical assumption test. The regression model used is: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$

RESULTS AND DISCUSSION

1. Descriptive Statistics of Research Variables

Descriptive statistics were carried out to understand students' perceptions of each variable. The results showed that respondents showed a high level of acceptance of COD and bank transfer payment methods, as well as feeling satisfied with their online shopping experience.

1.1. Statistics Descriptive Variable *Cash on Delivery* (COD)

In this study, the results of the responses and answers of the respondents can be seen based on questions from the variable indicators in question.

Table 1. Respondents' Responses Regarding COD Variables

Item	Answer	STS	TS	N	S	SS	Mean	Standard Deviation
		1	2	3	4	5		
COD.1	Frequency	0	0	7	44	49	4,42	0,62
	Percentage	0%	0,0%	7,0%	44,0%	49,0%		
COD.2	Frequency	0	2	10	45	43	4,29	0,72
	Percentage	0%	2,0%	10,0%	45,0%	43,0%		
COD.3	Frequency	0	0	8	48	44	4,36	0,63
	Percentage	0%	0%	8,0%	48,0%	44,0%		
COD.4	Frequency	0	2	9	37	52	4,39	0,74
	Percentage	0%	2,0%	9,0%	37,0%	52%		
Average Score							4,37	0,68

From the results obtained in table 1 above, it can be concluded that FEB students of Malikussaleh University show a high level of acceptance and trust. Most of the respondents agreed and strongly agreed with the statements related to the convenience, trust, security and risk in the use of COD in *online transactions*

1.2. Statistics Descriptive Variable Transfer bank

Table 2. Respondents' Responses Regarding Bank Transfer Variables

Item	Answer	STS	TS	N	S	SS	Mean	Standard Deviation
		1	2	3	4	5		
TB.1	Frequency	0	0	9	53	38	4,29	0,62
	Percentage	0%	0,0%	9,0%	53,0%	38,0%		
TB.2	Frequency	0	2	11	38	49	4,34	0,76
	Percentage	0%	2,0%	11,0%	38,0%	49,0%		
TB.3	Frequency	0	0	9	49	42	4,33	0,64
	Percentage	0%	0%	9,0%	49,0%	42,0%		
TB.4	Frequency	0	2	9	44	45	4,32	0,72
	Percentage	0%	2,0%	9,0%	44,0%	45,0%		
Average Score							4,32	0,69

In table 2 above, it can be concluded that the Respondent generally shows a very positive response to the bank transfer payment method. This is shown by the high average score and the dominance of respondents who stated "agree" and "strongly agree" on all indicators. Bank transfers are considered to be an efficient, safe, satisfying, and cost-effective method, making it one of the top choices in *online transactions*. These findings indicate that bank transfers remain relevant and in demand by consumers amid the wide range of digital payment system options.

1.3. Descriptive Statistics of Consumer Satisfaction Variables

Table 3. Respondents' Responses Regarding Consumer Satisfaction Variables

Item	Answer	STS 1	TS 2	N 3	S 4	SS 5	Mean	Standard Deviation
KK.1	Frequency	0	0	8	47	45	4,37	0,63
	Percentage	0%	0,0%	8,0%	47,0%	45,0%		
KK.2	Frequency	0	2	9	45	44	4,31	0,72
	Percentage	0%	2,0%	9,0%	45,0%	44,0%		
KK.3	Frequency	0	1	11	43	45	4,32	0,71
	Percentage	0%	1,0%	11,0%	43,0%	45,0%		
KK.4	Frequency	0	1	8	33	58	4,48	0,69
	Percentage	0%	1,0%	8,0%	33,0%	58,0%		
KK.5	Frequency	0	2	12	61	25	4,09	0,67
	Percentage	0%	2,0%	12,0%	61,0%	25,0%		
Average Score							4,37	0,69

Based on table 3. respondents' responses, which shows that 100 respondents gave answers to the statements given with an average score of 4.37 (close to the agreeable answer). Product quality and trust in *online* stores are the main factors in online purchases. Respondents are satisfied with the goods received, assess that the price is in accordance with quality, and prefer stores with good and reliable reputations. These values show that in the context of *online shopping*, perceptions of quality and trust greatly influence consumer purchasing decisions. In other words, *online* stores that are consistent in providing high-quality services and products have a greater chance of retaining

2. Validity and Reliability Test Results

Table 5. Validity Test Results

Table	No	Statement Indicators	Value r_{hitung}	Sig value	Value r_{tabel}	Ket
1	Cash on Delevery (X1)					
	1.	Question 1	0,594	0,000	0,196	Valid
	2.	Question 2	0,711	0,000	0,196	Valid
	3.	Question 3	0,583	0,000	0,196	Valid
	4.	Question 4	0,721	0,000	0,196	Valid
2	Transfer Bank (X2)					
	1.	Question 1	0,568	0,000	0,196	Valid
	2.	Question 2	0,747	0,000	0,196	Valid
	3.	Question 3	0,640	0,000	0,196	Valid
	4.	Question 4	0,722	0,000	0,196	Valid
3	Consumer Satisfaction (Y)					
	1.	Question 1	0,617	0,000	0,196	Valid
	2.	Question 2	0,730	0,000	0,196	Valid
	3.	Question 3	0,689	0,000	0,196	Valid
	4.	Question 4	0,709	0,000	0,196	Valid
	5.	Question 5	0,769	0,000	0,196	Valid

6.

Reliability Test Results		
Variabel	Cronbach's Alpha	Information
Cash on Delivery (X1)	,897	Reliabel
Transfer Bank (X2)	,896	Reliabel
Consumer Decision (Y)	,894	Reliabel

All items in the questionnaire were declared valid with the value of r calculated $> r$ of the table (0.196). The reliability test shows Cronbach's Alpha values for all three variables above 0.70:

- COD = 0,897
- Transfer Bank = 0,896
- Consumer Satisfaction = 0.894

This indicates that the instrument used is reliable and consistent.

3. Classic Assumption Test

- Normality Test (Kolmogorov-Smirnov): significance value of $0.080 > 0.05$, so that the data is distributed normally.
- Multicollinearity test: tolerance values = 0.216 (> 0.10) and VIF = 4.624 (< 10), indicating no multicollinearity.
- Heteroscedasticity Test (Glejser): no specific pattern was found; The model is declared to be free of heteroscedasticity.

4. Multiple Linear Regression Analysis Results

Testing through multiple linear regression was carried out to analyze the COD payment system and bank transfers on consumer satisfaction. After performing the calculation using SPSS, the results of the analysis can be seen in Table 7. as follows:

Table 7. Multiple Linear Regression					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-0,835	0,599		-1,395	,166
Cash on Delivery	,655	,072	,497	9,033	,000
Transfer Bank	,635	,070	,499	9,063	,000

From the results of SPSS data processing that has been processed, the regression results can be written as follows:

$$Y = -0.835 + 0.655X_1 + 0.635X_2 + e$$

Table 8. Determination Coefficient Test Results				
Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.968a	.936	.935	.62030

Based on the test results above in Table 8. shows that the coefficient of determination R^2 by 0.935 or 93.5%. This value shows that 93.5% independent in the study affects the dependent variable by 93.5%, while the remaining 6.5% is explained by other variables other than the independent variable in the study.

CONCLUSION

The conclusion of this study is that COD (X1) was accepted with a tcal value of 9.033 and a ttable value of 1.660. Thus, the tcal value of the ttable $>$ is $9.033 > 1.660$ with a significant level of 0.000.

Therefore, it can be concluded that the COD variable has an effect and is significant on consumer satisfaction, it can be concluded that H1 is accepted. This shows that COD payment methods can be a determining factor in increasing consumer satisfaction with a product or service. The findings of this study strengthen the suspicion that the ease of transacting through COD provides a positive experience for customers. Consumers tend to feel safer and more comfortable when they have the option to pay after receiving the goods.

Bank Transfer (X2) Has a positive and significant effect on consumer satisfaction (Y) with a ttable value of 9.063 when compared to a ttable value of 1.660. Thus, the tcal value of the ttable > is $9.033 > 1.660$ with a significant level of 0.000. Therefore, it can be concluded that the bank transfer variable has an effect and is significant on consumer satisfaction, it can be concluded that H2 is accepted. This suggests that the payment method via bank transfer can be a determining factor in increasing consumer satisfaction with a product or service. The findings of this study reinforce the suspicion that the convenience, security, and efficiency of making payments through bank transfers provide a positive experience for customers. Consumers tend to feel more satisfied when the transaction process runs smoothly, quickly, and with minimal risk. The simultaneous test (F-test) shows that the significance probability value is 0.000 or less than 0.05 ($0.000 < 0.05$) and obtains an Fcal value of 713,640 or greater than 2.85 ($33.470 > 2.85$). So it can be concluded that the variables X1 and X2 have a positive and significant effect on the Y variable. This means that the better or according to the payment method offered (either through COD or bank transfer), the greater the positive influence on the Y variable, such as an increase in purchase decisions or consumer satisfaction.

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