



Influence of Online Customer Review and Online Customer Rating On Purchasing Decision on Shopee E-Commerce (Study on Management Study Program Students, Faculty of Economics and Business, Makassar State University)

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Abstract

This research is a quantitative study that aims to find out influence of online customer review and online customer rating on purchasing decision on shopee e-commerce (study on Management study program students of the Faculty of Economics and Business of Makassar State University). The independent variables in this study are online customer review and online customer rating, while the dependent variable is Purchasing Decision. The population in this study is active students Management study program of the Faculty of Economics and Business of Makassar State University class of 2020-2022. Sampling using purposive sampling technique and obtained a total sample of 100 respondents. Data collection techniques used are questionnaires and literature study. The data analysis technique used is multiple linear regression analysis using SPSS V.21. The results of this study indicate that online customer review (X1) partially has a significant effect on purchasing decision on shopee e-commerce, online customer rating (X2) partially has a significant effect on purchasing decision on shopee e-commerce, and online customer review (X1) and online customer rating (X2) simultaneously have a significant effect on purchasing decision on shopee e-commerce.

Keywords: Online Customer Review, Online Customer Rating, Purchasing Decision

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Introduction

Due to the development of technology today, customers who previously bought a product through an offline shop now make purchases through an online shop or e-commerce (Zhang et al., 2024). E-commerce is an electronic trading place related to the sale of goods and services and various business activities related to online media (Matsui, 2024). There are various kinds of e-commerce that are well known in Indonesia, one of which is Shopee.

Previously, when people wanted to buy something, they would usually look for information by physically seeing the product (Harisandi et al., 2023). They look at the quality of the material, price match, service, and various other factors. It is different when they choose to buy something online, they cannot have the opportunity to see and touch the products offered by the seller directly. As a result, they will look at online customer reviews or online customer ratings to get information about the product they want to buy (Muñoz-Villamizar et al., 2024).

Reviews and ratings are one of the triggers for sales. Consumers usually look for various kinds of information before deciding to buy products on online shopping sites. When shopping online, consumers get a lot of choice, but little first-hand information about the product as they cannot touch or feel the product. Online customer reviews were created to overcome this drawback by providing relevant information (Yung Chou, 2012). Rating is a consideration for planning purchases, being evidence of a response from buyers and as an accountability material for buyers (Ramadhani et al., 2021)

Shopee is an online buying and selling site that offers various products to fulfill daily needs, such as gadgets, beauty products, electronic equipment, sports equipment, home appliances, food and beverages, and vouchers. Shopee also makes it easy for customers in selling services by providing a chat feature that allows customers to easily interact with sellers (Hariyanti et al., 2023).

Although the e-commerce sector continues to experience growth and ease of shopping. This does not mean that there are no challenges to be faced. There are still many potential customers who are new to e-commerce and are not fully convinced by e-commerce. Providing a reputation system for sellers is one of the efforts of e-commerce platform developers to increase user confidence. The reputation in question is based on online reviews and online ratings. Where products that appear at the top are generally products that have good online customer reviews and online customer ratings from the number of sales on the items sold.

Literature Review

E-Commerce

Electronic Commerce or often referred to as E-commerce is the process of buying, selling, or exchanging goods and information through computer devices and internet connections (Sudjatmika, 2017).

Ardianti, A. N., & Widiartanto, (2019) E-Commerce is a "live" shopping system where customers only need to select the desired product on a website or application, then click the

"buy" button and then pay according to the price listed. Buying and selling on e-commerce platforms requires computers and network media as business intermediaries.

Electronic Word Of Mouth

Putri & Prabowo, (2015) Electronic Word Of Mouth is an explanation that is positive or negative in nature made by potential customers or previous customers about existing products or services for individuals or organizations via the internet media.

Online Customer Review

Online Customer Review is a tool that allows customers to freely and easily write their comments and opinions online about various products and services (Elwalda et al., 2016).

In the digital era, consumers have a culture of information sharing. When they have knowledge about a particular product or seller account, they exchange information with potential customers who want to buy the same product (Auliya et al., 2017).

Online Customer Rating

Online customer rating is an assessment from customers on a product according to what they feel when buying the product. In the rating scale, there are usually 1-5 stars provided by the e-commerce feature (Risma et al., 2020). Rating does not only contain the quality of a product, but contains how the seller serves his customers (Engler et al., 2015). Online customer rating can be defined as an opinion in the form of star symbols made by customers towards a product and service that can represent the good and bad of the product and seller.

Purchase decision

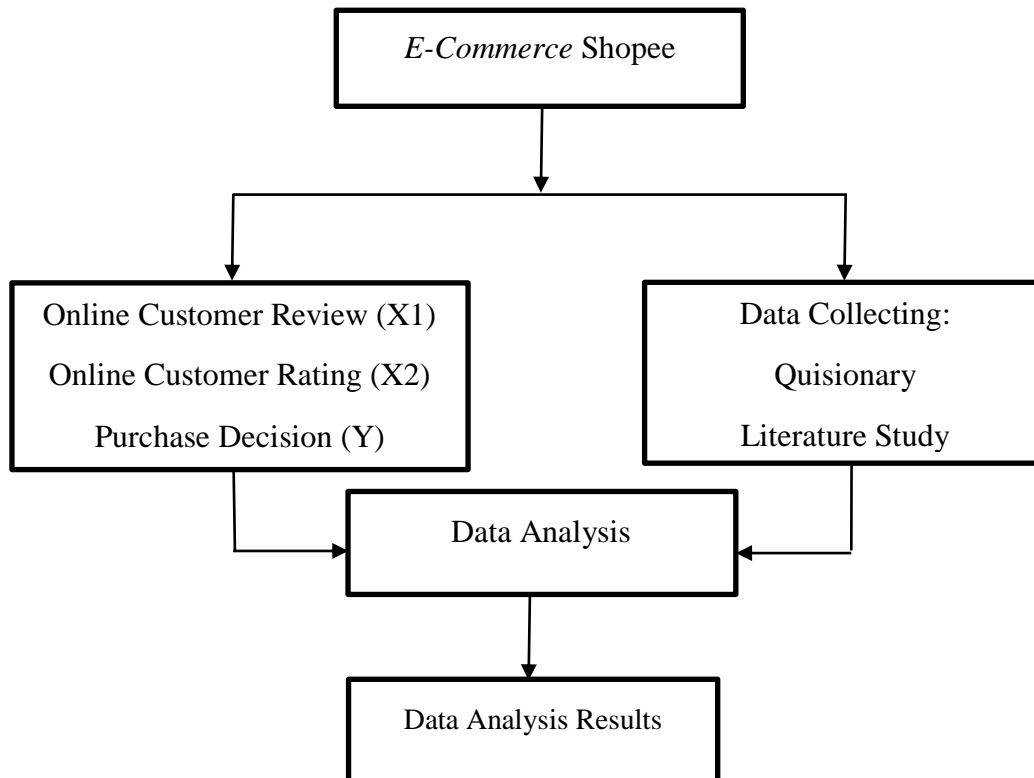
Arianty & Andira (2021) Purchasing decisions are steps taken to overcome problems that arise and must be overcome to achieve goals quickly and efficiently.

Purchasing decisions are the result of psychological mechanisms experienced by consumers. This process begins with paying attention to a product, if a product attracts the attention of potential consumers, then interest arises, which invites curiosity to get the advantages of the product or service, so that desire or interest, because the goods or services offered meet their needs and ultimately a decision to buy (Djatnika & Tjetjep, 2007)

Research Method

The type of research in this study is quantitative research using a descriptive approach method, the population in this study were students of the 2020-2022 generation in the management study program of the faculty of economics and business, Makassar state university who used shopee e-commerce, the population in this study is unknown. In this study, sampling used probability sampling with purposive sampling technique. The data collection techniques used in this study are questionnaire methods and literature studies. The research design in this study can be described in the chart as below:

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Picture 1.1 Research Design Chart

Data Analysis Techniques

Validity Test

A measurement scale is said to be valid if it does what it should do and measures what it should measure. If the measurement scale is invalid, it is not useful for researchers because it cannot measure or do what should be done (Kuncoro, 2013)

The validity test is used to determine the validity of the indicators of the online customer review variable (X1), online customer rating (X2), and purchasing decisions (Y). The basis for decision making in the validity test is comparing the rcount value with the rtable value; if the $r_{count} > r_{table}$ value, then the item is declared valid, If the value of $r_{count} < r_{table}$, then the item is declared invalid.

Reliability Test

A reliability test aims to show the consistency of a measuring device in measuring the same symptoms; each measuring device should have the ability to provide consistent measurement results.

Classical Assumption Test

Normality Test

The normality test is carried out to test whether the independent variable and the dependent variable in the regression model or both, have a normal distribution or not.

Multicollinearity Test

The multicollinearity test aims to determine whether the regression model finds a correlation between independent variables. Multicollinearity testing in this study was carried out by looking at the value of VIF (variance inflation factor) and tolerance, which can identify the presence or absence of multicollinearity problems.

Heteroscedasticity test

The heteroscedasticity test aims to test whether, in a regression model, there is an inequality of variance from one observation to another.

Multiple Linear Regression Analysis

Multiple linear regression is intended to determine the linear relationship between several independent variables commonly called X1, X2, X3, and so on, and the dependent variable Y (Situmorang, 2019).

Hypothesis Test

Partial Test

The t test (partial regression coefficient test) is used to determine the effect of each independent variable on the dependent variable. If the t value is greater than the t table and the significance value is less than 0.05 (sig <0.05), it can be concluded that the independent variable partially has a significant effect on the dependent variable.

Simultaneous test

Multiple regression analysis using the f test (simultaneous test) aims to determine the effect of all variables including: independent variables, namely online customer reviews and online customer rating variables on the dependent variable, namely purchasing decisions.

Coefficient of Determination (R^2)

The determinant test is used to determine the percentage contribution of the influence of the independent variables (X1, X2, Xn) simultaneously on the dependent variable (Y).

Result/Findings

Respondents in this study were active students of the S1 Management Study Program, Class of 2020-2022, Makassar State University who were social media users with a total of 100 respondents. Respondent data collection was carried out using a questionnaire in the form of a Google form. There are 5 characteristics of respondents included in the study, namely based on gender, generation, number of product purchases at Shopee for 1 month. Based on the variable validity test. A total of 10 statement items representing online customer review variables (X1), 6 statement items representing online customer rating variables, and 10 statements representing purchasing decisions have a total correlation > 0.1966, indicating that all items are declared valid and are considered to represent each of these variables.

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Table 1.1 Reliability Test

| Number. | Variable | Cronbach's Alpha | Criteria |
|---------|------------------------|------------------|----------|
| 1. | Online Customer Review | 0,796 | Reliable |
| 2. | Online Customer Rating | 0,757 | Reliable |
| 3. | Purchasing Decision | 0,846 | Reliable |

Source: Data processed using SPSS V.21, 2024

Reliability test aims to show the consistency of a measuring device in measuring the same symptoms, each measuring device should have the ability to provide consistent measurement results (Abdullah, 2015). The method used is the Cronbach's Alpha method. Based on table 1.1, it shows that all items on variables X and Y in the completed questionnaire produce a Cronbach's Alpha value greater than 0.600. Thus, it can be concluded that all items measuring variables in the questionnaire are reliable.

Table 1.2 Multiple Linear Regression Analysis Test Results

| Models | Unstandardized | | Standardized | | Sig. |
|-----------------------------|----------------|------------|--------------|-------|------|
| | Coefficients | | Coefficients | | |
| | B | Std. Error | Beta | T | |
| ^{1.} (Constant) | 6,118 | 2,927 | | 2,090 | .039 |
| Online Customer Review (X1) | .604 | .102 | .548 | 5,935 | .000 |
| Online Customer Rating (X2) | .388 | .149 | .241 | 2,611 | .010 |

a. Dependent Variabel: Purchasing Decision (Y)

Source: Data processed using SPSS V.21, 2024

Based on the results of the multiple linear regression analysis test above, the multiple linear regression equation and its explanation are obtained as follows:

$$Y = 6,118 + 0,604 x_1 + 0,388 x_2$$

The constant value is 6,118. This means that if the independent variable, namely the online customer review variable and the online customer rating variable, is considered constant (value 0), then the dependent variable, namely the purchasing decision variable, will be valued at 6,118. The online customer review variable (X1) produces a coefficient value of 0,604 meaning that online customer reviews and purchasing decisions have a positive influence. The online customer rating variable (X2) shows a coefficient value of 0,388. this means that online customer rating and purchasing decisions have a positive influence.

A partial test (t test) is used to determine the effect of each independent variable on the dependent variable. If the significance value (Sig.) <0.05, then there is a partial influence of

the independent variable on the dependent variable then if the value of $t_{count} > t_{table}$, then there is an influence of the independent variable on the dependent variable. t_{table} is determined with Sig. 0.05, where $df = 100 - 2 - 1 = 97$

The results of the t test analysis for the online customer review variable obtained a t value of 5.935 and a t table of 1.984 with a significance level of 0.000; because $t_{count} > t_{table}$ ($5.935 > 1.984$), significance is less than 0.05 ($0.000 < 0.05$) it can be concluded that "online customer review partially has a positive and significant effect on purchasing decisions in Shopee e-commerce". The results of the t test analysis for the online customer rating variable obtained the t value of 2,611 and t table 1,984 with a significance level of 0.010; because $t_{count} > t_{table}$ ($2,611 > 1,984$), the significance is less than 0.05 ($0.010 < 0.05$) it can be concluded that "online customer rating partially has a positive and significant effect on purchasing decisions in Shopee e-commerce".

Online customer review (X1) and online customer rating (X2) variables will be compared to test the purchase decision hypothesis (Y). Based on table 1.2 above, the significance value of the regression model is simultaneously 0.000, this value is smaller than the significance value of 0,05 (5%), namely $0,000 < 0,05$. In addition, it can also be seen from the fcount value of 55,349. It can be concluded that H3 is accepted, meaning that "online customer reviews and online customer ratings simultaneously have a significant effect on purchasing decisions in Shopee e-commerce".

Table 1.3 Test Results of the Coefficient of Determination R²

| Models | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---------------|-------------------|-----------------|--------------------------|-----------------------------------|
| | .730 ^a | .533 | .524 | 2.193 |

1

Predictors: (Constant), *Online Customer Rating* (X2), *Online Customer Review* (X1)

Dependent Variable: Purchase Decision(Y)

Based on the coefficient of determination test results in the table above, it is obtained that. The R value is 0.730 or 73,0%. This shows that the relationship between online customer reviews and online customer ratings on purchasing decisions in Shopee e-commerce is 73,0%. The Adjusted R square value is 0,524 or 52,4%. This shows that 52,4% of online customer reviews and online customer ratings affect purchasing decisions in Shopee e-commerce. While the rest, namely $100\% - 52,4\% = 47,6\%$, is influenced by other factors not included in this study.

The Effect of Online Customer Reviews on Purchasing Decisions

Based on the results of the partial test (t test) that has been carried out, it is obtained that the value of $t_{count} > t_{table}$ is $5.935 > 1.984$ with a significance level of $0.000 < 0.05$, then "online customer reviews partially have a significant effect on purchasing decisions in Shopee e-commerce". This means that online customer reviews often provide additional information that is not found in product descriptions. So that online customer reviews can help potential

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customers make purchasing decisions and consider aspects that may not be covered in product information. The test results can be justified by the coefficient value obtained on the online customer review variable of 0.604. This means that when the online customer review of a product on Shopee has one increase, it will increase consumer purchasing decisions by 60.4%.

Based on the results of the analysis of the description of the online customer review variable, it is found that the number of positive online customer reviews shows that the better the reputation of a product in Shopee e-commerce. This statement is supported by the results of the analysis on the online customer review variable obtained at item X1.9 with the highest total score, namely discussing "The more the number of positive reviews, the better the reputation of the product". However, in the source credibility indicator, 3 respondents thought that they did not trust the reviews given by other consumers.

The findings that have been tested by researchers show that these results are in line with the results of research (Ardianti & Widiartanto, 2019) which concluded that online customer reviews have a significant effect on purchasing decisions through Shopee.

The Effect of Online Customer Rating on Purchasing Decisions

Based on the results of the partial test (t test) that has been carried out, it is obtained that the value of $t_{count} > t_{table}$ is $2.611 > 1.984$ with a significance level of $0.010 < 0.05$, then "online customer rating partially has a significant effect on purchasing decisions in Shopee e-commerce". This means that a high online customer rating on a product will increase consumer purchasing decisions. The test results are reinforced by the coefficient value obtained by the online customer rating variable, which is 0.388. This means that when the online customer rating of a product on Shopee has one increase, it will increase consumer purchasing decisions by 38.8%.

Based on the results of the analysis of the description of the online customer rating variable, the respondents' responses with the highest total score were obtained, namely item X2.6 "The higher the rating, the higher the level of customer satisfaction". This means that satisfied customers tend to give high ratings. Conversely, dissatisfied customers tend to give low ratings. However, item X2.3 regarding the trust indicator, namely "I believe a high rating describes good service" obtained the lowest score. This means that service quality can change from time to time.

This research is in line with research conducted (Hariyanto & Trisunarno, 2021) which states that there is a positive and significant relationship directly between online customer ratings and purchasing decisions.

The Effect of Online Customer Reviews and Online Customer Ratings on Purchasing Decisions

Based on the results of the simultaneous test (F test), the value of $F_{count} > F_{table}$ is $55.439 > 3.09$ with a significance value of $0.000 < 0.05$, it can be concluded that H3 is accepted, meaning that "online customer reviews and online customer ratings simultaneously have a significant effect on purchasing decisions in Shopee e-commerce".

Based on the results of the analysis obtained, the responses of respondents in the purchasing decision variable questionnaire (Y), as many as 100 respondents felt that the existence of Shopee e-commerce allowed customers to make purchases at the most convenient time without worrying about time constraints or work schedules. A total of 13 respondents disagreed with the statement, "I always leave reviews on the products I have bought at Shopee".

Based on the coefficient of determination test, the R value is obtained at 0.730 or 73.0%. This shows that the relationship between online customer reviews and online customer ratings on purchasing decisions in Shopee e-commerce is 73.0%. And based on the Adjusted R Square value obtained, it is 0.524 or 52.4%. This shows that 52.4% of online customer reviews and online customer ratings affect purchasing decisions in Shopee e-commerce. While the remaining 47.6% is influenced by other factors not included in this study.

Conclusion

From the results of the study, it was found that online customer reviews have a positive and significant effect on consumer purchasing decisions in Shopee e-commerce. By inviting customers to provide specific reviews about their experience with a product so that it can make it easier for consumers to search and find information about a product.

From the results of the study, it was found that online customer rating has a positive and significant effect on consumer purchasing decisions in Shopee e-commerce. It is necessary to create a strategy so that consumers do not give low ratings, such as providing good service or providing safe packaging.

Recommendation

For further researchers, it is recommended to add other variables that influence consumer purchasing decisions, for example, product quality and consumer confidence, so as to expand knowledge about what variables influence consumer purchasing decisions.

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