

ONLINE CUSTOMER REVIEW, ONLINE CUSTOMER RATING AND ITS INFLUENCE ON ONLINE PURCHASING DECISIONS MEDIATED BY TRUST

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ABSTRACT

This research was conducted with the aim of finding out the influence of online customer reviews and online customer ratings on online purchasing decisions mediated by trust. Data collection is done by distributing questionnaires in the form of Google Forms. This research variable consists of online customer reviews, online customer ratings as an independent variable, and online purchasing decisions as a dependent variable. While faith is an intermediate variable, Samples are selected based on purposive sampling techniques, and the number of samples reached is calculated using the Lemeshow formula. Data analysis using SEM-PLS. The conclusions of the research based on the hypothesis testing concluded that online customer reviews and online customer ratings influenced online purchasing decisions, and trust was able to mediate the influence of online customer reviews and online customer ratings on online purchasing decisions.

INTRODUCTION

The current era of digitalization has shifted public shopping behavior from offline shopping to online shopping, which offers more convenience, leading to a significant increase in the number of marketplaces or e-commerce. The presence of various types of marketplaces has a positive impact, allows sellers to increase the marketing of their products at a lower cost, and also generates remarkable profits in economic activity (Ardianto et al., 2020). Currently, marketplaces in Indonesia are growing rapidly; among them are Tokopedia, Shopee, Bukalapak, Lazada, and others. Shopee, launched in 2015, is one of the leading online shopping platforms in Southeast Asia, allowing sellers and buyers to transact online with a variety of items such as electronics, fashion, beauty, and household needs. Shopee was the most visited e-commerce app in the period January–December 2023, with 2.35 billion visitors, followed by Tokopedia with 1.25 billion, Lazada with 762.4 million visitors, BliBli with 337.4 million, and Bukalapak's last top five with 168.2 million visits (Ahdiat, 2024). The appearance of Shopee as the most popular online store is interesting to research to find out what factors influence the decision of the public to use the Shopee platform. In addition to the previous research by Suandewi, et al., (2023), Muliadi, et al., (2024), and Suwito & Kussudyarsana, (2024), there are marketing initiatives in marketplaces that can be used to attract prospective buyers to make online purchasing decisions; among

them are online customer reviews, online customer ratings, and secure payment methods to maintain the trust of customers and potential buyers.

The purchase decision is the final decision of a person or household in buying goods and services to meet personal consumption. Online customer reviews are the component that ensures consumer purchasing decisions; reviews are used as an indicator of product popularity and value and can influence customer willingness to buy the item (Lee & Shin, 2014). If customers find it difficult to know the quality of the product in an online store, information from other customers is crucial to making a purchase decision. Although the pre-research results showed 39.1% of respondents disagreed with online customer reviews on the grounds of doubting the authenticity of the reviews given, the results of this research are consistent with the results of Rahmawati, (2022) and Dermawan, (2023) research, which stated a lack of confidence in the online customer review, but not in accordance with Ardianti & Widiartanto, (2019) research, which concluded that online customer evaluation helps consumers in taking the decision of purchase. Other evaluations made by customers are with online customer ratings, which show customer opinion using a star symbol instead of a sentence to express customer opinion. A rating is also the opinion of others and the buyer's assessment of the goods or services sold by the seller (Fileri & McLeay, 2019). A higher product value or quality is indicated by a higher number of rating symbols, which can affect the consumer's decision to buy it.

Based on the results of pre-research conducted by the author, 43.5% of respondents did not agree with online customer ratings if they were related to product quality on the grounds that sometimes giving stars was manipulation and personal experience. Previous research findings by Arif, (2021) concluded that online customer ratings influence purchasing decisions, but the results are different from research by Lestari, et al., (2022). For sellers, the online customer review and online customer rating features are used to evaluate online businesses to measure customer satisfaction and loyalty as indicators of company performance. The main factor that can influence customer purchasing decisions in the context of purchasing products online is the level of trust. During the online shopping process, customer trust in the products available on the Shopee portal can be considered (Jufrizen et al., 2020). Trust is an important component in online transactions, which will determine consumer purchasing decisions (Arif, 2021). Customers' desire to carry out online transactions is significantly influenced by trust factors (Cheng et al., 2014). The higher the level of trust, the more confident you are in your purchasing decisions. The Shopee phenomenon is the most frequently visited marketplace by consumers, and some previously conducted gap research has been the basis for the authors to undertake this research with the aim of providing information and knowledge about any aspects that influence online purchasing decisions.

METHOD

This type of research is quantitative descriptive and identifies all variables and interactions between variables. The data used in this study are primary and secondary. The population in this study is active students in the city of Medan, whose number is unknown. Sampling using purposive sampling. While the sample is widely available with the following Lemeshow formula:

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$$n = \frac{z^2 p (1 - p)}{d^2}$$

$$n = \frac{1,96^2 \times 0,5 (1 - 0,5)}{0,10^2}$$

$$n = \frac{3,8416 \times 0,25}{0,01}$$

$$n = 96,04 \text{ (96 respondents)}$$

Where:

n : number of samples

z : standard value = 1.96

p : maximum estimate = 50% = 0.5

d : alpha (0.10) or sampling error = 10%

To achieve maximum statistical results, the researchers rounded the sample size to 100 respondents of Shopee users among students in the city of Medan. The number of respondents, as many as 100, is considered representative. Data analysis techniques using factor analysis, namely confirmatory factor analysis (CFA), using the structural equation model (SEM). Measurement There are two models of measurement, namely, external models and internal models.

RESULTS

Outer Loading Measurement Results

The evaluation measurement of the outer model in the evaluation diagram lists the loading factor and outer weight values. In this study, invalid construction indicators were found in first-level or first-order CFA model testing; therefore, construction criteria are considered valid if the load factor value is more than 0.7 and the model meets the requirements for subsequent stage testing. Figure 1 shows an invalid construction indicator with a loading factor value below 0.7, namely the online customer rating variables CRT.2 (0.666) and CRT.8 (0.678). The other variable is the confidence variable on the T.6 indicator. (0.683). Indicators with loading factor values below 0.7 should be discarded as a condition of the next-stage test.

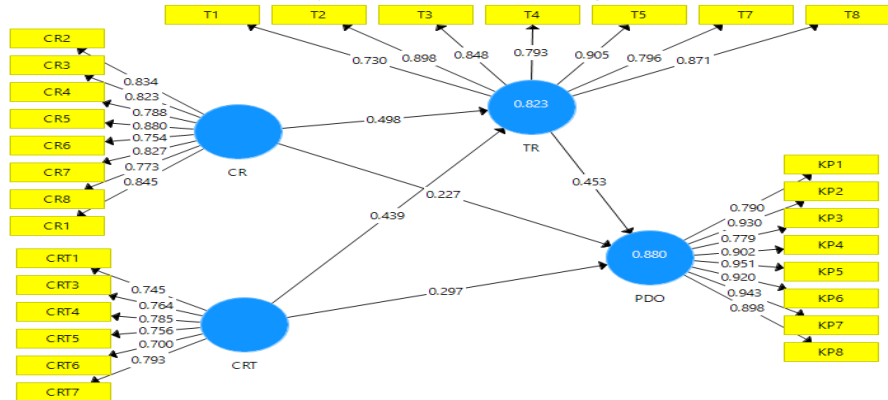


Figure 1. Output Outer Loading CFA 1

The next step is a second-order CFA test, because in the first test or first-order CFA, there is still an outer loading value below 0.7. The outer loading CFA 2 result can be seen in Figure 2, and the result shows that there are still outer load values below 0.7, i.e., the online customer rating variable on the CRT.6 indicator (0.700), so that the indicator must be removed first before performing the third-level or third-order test CFA.

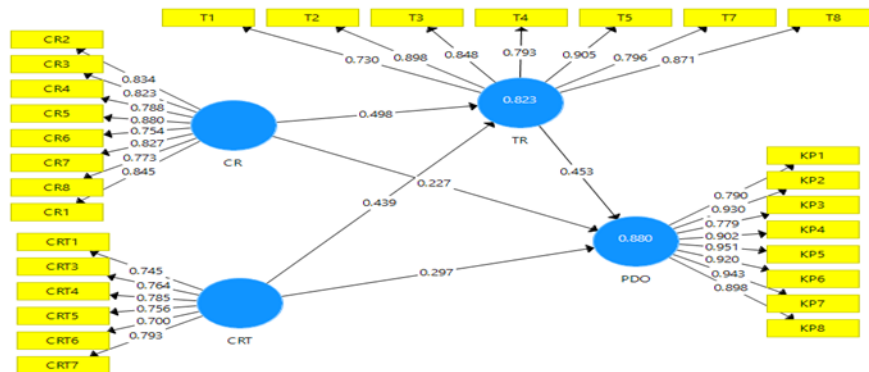


Figure 2. Output Outer Loading CFA 2

A third-level CFA test in Figure 3 shows all outer loading values already above 0.7, thus qualifying for the next phase of testing, i.e., estimating

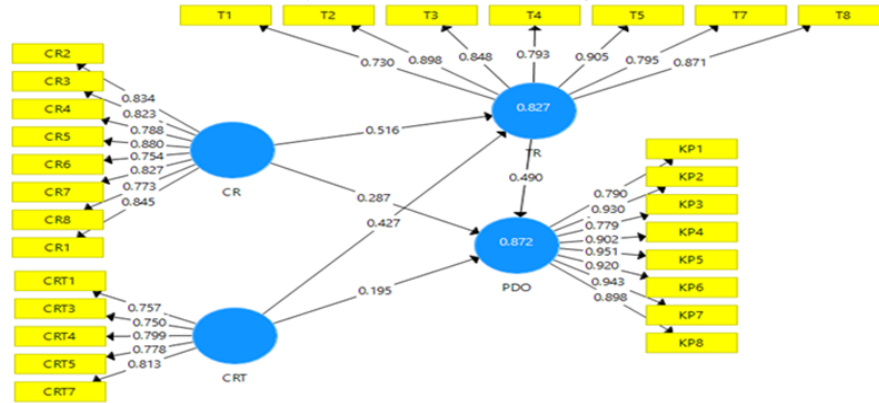


Figure 3. Output Outer Loading CFA 3

The construction reliability is then estimated by looking at Cronbach's alpha coefficient, or composite reliability, in Table 1.

Table 1. Validity and Reability Test Results

	Cronbach's Alpha	rho_A	Composite Realibility	Average Variance Extracted (AVE)
CR	0.928	0.934	0.941	0.667
CRT	0.851	0.853	0.890	0.574
TR	0.927	0.933	0.942	0.700
KP	0.962	0.966	0.969	0.795

Source: Data processed by SmartPLS3, 2024

The validity and reability test results reflected on Cronbach's alpha, composite reliability, and average variance extracted (AVE) values indicate that the values obtained are already above the specified standard, i.e., the construction is said to be reliable if the alpha coefficient and composite reliability values are above 0.7 and the AVE value is above 0.5.

Result Evaluasi Model Structural (Inner Model)

The purpose of evaluating the structural model is to determine whether or not there is an influence of the construct and R-square. Table 2 presents the R-Square test results of this research.

Table 2. R Square Test Results

	R Square	R Square Adjusted
KP	0.872	0.868
TR	0.827	0.824

Source: Data processed by SmartPLS3, 2024

Chin & Marcoulides, (1998) stated that the R-Square value is said to be strong if it exceeds 0.67, while moderate is between 0.33 and 0.67, and weak is between 0.19 and 0.33. The R-Square test results show a purchasing decision value of 0.872, or 87.2%. For the trust construct, the R-Square value is 0.827, or 82.7%.

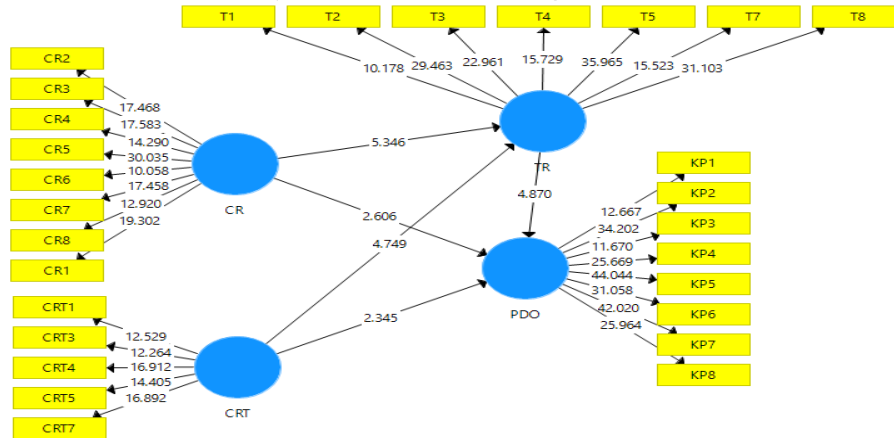


Figure 4. Output Inner Model

The evaluation of the structural model can be done using the t-value parameter, which functions as a path coefficient. The criterion is that if the t-table value is > 1.96 for a two-way hypothesis, then the variable influence parameter is acceptable, and in addition, it can use the sample's original value to explain the direction of the hypothetical relationship. (Hartono & Abdillah, 2014). The result of the path coefficient can be seen in Table 3.

Table 3. Path Coefficient Test Results

Variable Intercourse	Original Sampel	t-Statistic $> 1,96$	p-Value
Correlation			
CR -> TR	0.516	5.061	0.000
CRT -> TR	0.427	4.532	0.000
CR -> KP	0.287	2.468	0.014
CRT -> KP	0.195	2.327	0.020
TR-> KP	0.490	4.457	0.000

Source: Data processed by SmartPLS3, 2024

The results of the path coefficient test can be seen in Table 4. What needs to be described is as follows: t-statistic online customer review and online customer rating > 1.96 and p-value $<$ of 0.05, it is concluded that the accepted hypothesis means that both variables have an influence on confidence and purchase decision. Besides, the t-statistic variable value of confidence $> 1,96$ and the p-valuation value $< 0,05$, thus the hypotheses accepted, mean that confidence is able to mediate the influence of online customer reviews and on-line customer ratings on purchase decisions.

DISCUSSION

The Influence of Online Customer Reviews on Trust

Online customer review is a type of electronic word of mouth (eWOM) where customers who have been shopping in online stores re-post the content of the purchased products. Testing the hypothesis suggests that online customer reviews have a significant influence on confidence. Online customer reviews can be a powerful promotional tool for marketing communication. If such reviews provide sufficient confidence, they encourage consumers to buy goods in the online store. Research findings from Ardianti & Widiartanto,

(2019) and Mahrnun et al., (2023) showed that online customer reviews have an influence on trust. However, other studies conducted by Umma & Nabila, (2023) found the opposite result: online client reviews have no significant influence on trust.

The Influence of Online Customer Ratings on Trust

The findings from this study indicate that online customer ratings have a significant influence on confidence. Online customer ratings are basically the same as reviews as a form of evaluation of a product, but customer opinion is given in the form of stars, where the number of stars given by customers indicates value. The research conducted by Hariyanto & Trisunarno, (2021) and Anggraini et al., (2023) is in line with the findings of this study but is irrelevant to the research by Risma et al., (2020) and Lestari et al., (2022), which concluded that online customer ratings have no influence on trust.

The Influence of Online Customer Reviews on Purchasing Decisions

The results of this research conclude that good online customer reviews and reviews about purchases will help customers or potential customers make the right decisions about what they buy when they shop in the online marketplace. The more online customer reviews posted by customers who purchased a particular product, the more likely they are to influence potential customers to purchase that product. Findings that are in line with this research are research conducted by Ardianti & Widiartanto, (2019), Chen et al., (2022), and Anasrulloh et al., (2024), which concluded that online customer reviews have an influence on purchasing decisions. Other research found different results by Puspita & Setyowati, (2023).

The Influence of Online Customer Ratings on Purchasing Decisions

Statistical figures show the results of this research: online customer ratings influence purchasing decisions. Rating is a form of product assessment that uses certain symbols, such as stars. A large number of stars on a product indicates that the product is good, but conversely, a poor consumer rating. The good or bad value given by consumers, which is applied in the form of stars, will influence the decisions made by potential consumers to buy the product. The results of this research are relevant to research by Hariyanto & Trisunarno, (2021) and Anggraini et al., (2023), who concluded that online customer ratings influence purchasing decisions. However, this is different from the research findings of Rahmawati, (2022), which concluded that online customer ratings have no effect on purchasing decisions.

The Influence of Trust on Purchasing Decisions

Trust is a consumer's belief that other people are honest and trustworthy, and are responsible for making transactions as expected. Each consumer's beliefs are always different depending on what the consumer believes, so it is easy for consumers to trade when buying a product or commodity (Christiana et al., 2022).

The research results concluded that trust influences purchasing decisions. Customers' or potential customers' trust in Shopee is because Shopee has a good reputation. Customers feel safe and comfortable when shopping at Shopee, both in terms of quality, product

distribution, and the payment system. So customers don't hesitate to make purchasing decisions on Shopee. Comparable to the research results of Hariyanto & Trisunarno, (2021) and Febriana & Purwanto, (2023), the results are not comparable to the research results of Ayuningtiyas & Gunawan, (2018), which concluded that trust has no effect on purchasing decisions.

CONCLUSION

The aim of this research is to determine the extent to which online customer reviews and ratings influence online purchasing decisions mediated by trust. The research results show that these two factors significantly influence trust and online purchasing decisions. In addition, the research results show that trust is able to mediate the influence of online customer reviews and ratings on purchasing decisions. This research only uses two independent variables: one dependent variable and one intermediate variable, with a limited sample size. Consumers should be able to use various sources of information before they decide to buy something, while e-commerce service providers should be more efficient so that they can provide satisfaction to customers. Theoretically, research findings can be used as lecture material for marketing management and e-commerce. It is hoped that future researchers can collect more samples and expand the research variables.

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