

THE INFLUENCE OF ONLINE CUSTOMER RATINGS, ONLINE CUSTOMER REVIEWS, AND PRICE PERCEPTIONS ON PURCHASING DECISIONS IN SHOPEE E-COMMERCE (Study on FEB Management Students Universitas Malikussaleh)

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Abstract

The research aims to determine how online customer ratings, online customer reviews, and price perceptions influence purchasing decisions on Shopee e-commerce among Management students of FEB Universitas Malikussaleh class of 2020. The data used in this research is primary data obtained by distributing questionnaires online and directly to students who use Shopee e-commerce. The sample in this research consists of 140 respondents using a non-probability sampling technique, namely purposive sampling. This research employs multiple linear regression analysis using SPSS software version 25. The results show that partially, online customer ratings, online customer reviews, and price perceptions have a positive and significant effect on purchasing decisions. Meanwhile, the simultaneous test results show that online customer ratings, online customer reviews, and price perceptions have a positive and significant effect on the Management students of FEB Universitas Malikussaleh class of 2020. The coefficient of determination test results indicate that purchasing decisions on Shopee e-commerce are influenced by online customer ratings, online customer reviews, and price perceptions by 42.8%, while the remaining 57.2% is influenced by variables outside this research.

Keywords : *Online Customer Rating, Online Customer Review, Price Perception, Purchase Decision, Shopee*

1. INTRODUCTION

The internet has become a way of life. Its use is not limited to information gathering and access, but also fulfills various needs. Changes in people's lifestyles compared to offline lifestyles have led to a significant increase in the e-commerce market. Various marketplaces such as Shopee began to offer various facilities to meet people's online shopping needs. Changes and technological developments have led to changes in customer behavior from purchasing through offline stores to purchasing online through e-commerce or marketplaces, which also affects their purchasing decisions when buying a product or service. (Ningsih, 2019).

The ease of shopping at online stores is the reason for changes in customer behavior. In the past, people looked for information automatically by looking at the physical product, quality of materials, appropriate price, service, etc., which can be seen and felt directly when they want to buy the product. Unlike online shopping, consumers must seek more information about the product they want to buy to minimize the negative impacts they encounter. There are several things that are impossible to do when shopping online, such as consumers cannot touch, smell and feel the products being sold. This is what makes doubts occur when consumers shop online. But there are easy ways to get information including by looking at customer online reviews and customer online ratings on a store. In addition, price perception can also play an important role in consumer purchasing decisions.

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In purchasing decisions to buy a product, consumers often pay attention to online customer rating factors before making a purchase. By looking at the number of ratings / stars on the rating, it shows the quality of the product is getting better. There are problems regarding products purchased at Shopee, namely, it does not match the picture in the Shopee application, both in terms of color, material, size, and product quality. In addition, poor packing causes the goods received by consumers to be damaged, limited product stock and a long delivery period and poor seller response are also problems in shopping at Shopee e-commerce. This causes consumers to feel disappointed, so they give a rating that is not good. Studies conducted (Mokodompit et al., 2022) show that online customer ratings have a positive and significant effect on purchasing decisions. In contrast to research conducted (Utami *et al.*, 2023), e-rating has no effect on purchasing decisions. Apart from looking at ratings, consumers can also determine purchases by looking at online customer reviews.

Consumers can express their opinions and feelings about their experience with a product or service on an online platform, thanks to the significant growth of the internet and online networking sites (Ali *et al.*, 2021). The problem that arises regarding this review is the quality of the argument that is less informative and other buyers' reviews that are not detailed about the product purchased. In addition, the credibility of the source raises doubts for consumers because buyers who buy products on Shopee e-commerce can provide reviews with disguised name identities. This raises doubts about whether the information contained in the online customer rating and online customer review reputation system can be trusted and used as a reference in the purchasing process. In addition to these problems, other users can predict that the review is a fake review or deliberately manipulated by the seller. Ardianti & Widiartanto (2019) stated in their research that online customer reviews have a positive and significant influence on purchasing decisions for fashion products in online stores. On the other hand, research (Mokodompit et al., 2022; Bo *et al.*, 2023) states that online customer reviews do not have a significant positive impact on purchasing decisions.

Furthermore, when making a purchase decision, consumers have several factors to consider. One of the factors used by consumers in making purchasing decisions is price. The problem regarding the price perception variable is that during the checkout process, consumers are often faced with the addition of additional costs, namely quite high inventory and shipping costs, so that the product price, which was originally cheap, becomes more expensive. This causes one of the problems related to price affordability in Shopee e-commerce. In addition, the price of the product purchased by consumers does not match the perceived benefits and the mismatch between the quality of the product and the price offered, making consumers feel disappointed because the product purchased is thinner and does not match the picture in the application. This is because, when shopping at online stores, consumers cannot see and feel the products purchased directly. Based on the results of research (Mardiasih 2019), it is found that price perceptions have a positive and significant effect on consumer purchasing decisions. This is different from research (Mendur *et al.*, 2021) which reveals that price perceptions have no effect on purchasing decisions. The inconcentration of previous studies has resulted in the researcher's interest in raising the title of this research entitled "The Effect of Online Customer Rating, Online Customer Review, and Price Perception on Purchasing Decisions at E-commerce Shopee".

2. IMPLEMENTATION METHOD

This research the type of data used in this study is quantitative data. The data source used is primary data, by distributing questionnaires online and in person to Malikussaleh University FEB Management Students class of 2020 who use Shopee e-commerce. The online distribution of questionnaires was carried out by sharing google forms via WhatsApp media. Meanwhile, the questionnaire was distributed directly by respondents who were in the Bukit Indah campus study program area of Malikussaleh University. The population in this study were Malikussaleh University FEB Management Students class of 2020 who used Shopee e-commerce with an

unknown number, but based on data obtained from the Malikussaleh University academic puast the number of Management Students class of 2020 was 358 people, so the population using e-commerce was no more than that number. The sampling technique used in this study used Non Probability Sampling technique, namely Purposive Sampling. The sample in this study were FEB Management Students of Malikussaleh University class of 2020 who had used and made purchases in Shopee e-commerce with 140 respondents (Ferdinand, 2014).

3. RESULTS AND DISCUSSION

3.1 Result

Regression analysis is a statistical method used to measure the relationship between one or more independent variables (called predictors or explanatory variables) and a dependent variable (called the response variable or dependent variable). The goal of regression analysis is to understand and measure how changes in one or more independent variables can predict or explain variations in the dependent variable. The outcomes of the partial regression analysis in this study are presented in the following table:

Model	Coefficients ^a			t	Sig.
	Unstandardized	Standardized			
	Coefficients	B	Beta		
(Constant)	4.566	1.693		2.697	0.008
Online Customer Rating (X ₁)	0.201	0.073	0.215	2.760	0.007
Online Customer Review (X ₂)	0.379	0.087	0.339	4.353	0.000
Persepsi Harga (X ₃)	0.264	0.078	0.249	3.399	0.001

Source : Data Processed (2024)

The results of testing the online customer rating variable on purchasing decisions (Y) can be seen by calculating the tcount value with the ttable can be obtained by the formula $df = n - k = 140 - 4 = 136$, the ttable value is 1.656. The test results of the online customer rating variable obtained a tcount of 2.760 when compared to the ttable value of 1.656. Thus the $tcount > ttable$ value is $2.760 > 1.656$ with a significant level of 0.007. So it can be concluded that the online customer rating variable has a positive and significant effect on purchasing decisions so that it can be concluded that H1 is accepted. The test results for the online customer review variable obtained a tcount of 4.353 when compared to the ttable value of 1.656. Thus the value of $tcount > ttable$, namely $4.353 > 1.656$ with a significant level of 0.000. So it can be concluded that the online customer review variable has a positive and significant effect on purchasing decisions so that it can be concluded that H2 is accepted. The test results for the price perception variable obtained a tcount of 3.399 when compared to the ttable value of 1.656. Thus the value of $tcount > ttable$, namely $3.399 > 1.656$ with a significant level of 0.001. So it can be concluded that the price perception variable has a positive and significant effect on purchasing decisions so that it can be concluded that H3 is accepted. Simultaneous test is a test conducted to see the overall effect of the online customer rating variable, online customer review and price perception (independent variable) on purchasing decisions (dependent variable).

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	100.477	3	33.492	16.875	0.000 ^b
Residual	269.923	136	1.985		
Total	370.400	139			

Source : Data Processed (2024)

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From Table above, it can be seen that the Fcount value is 16.875 and the Ftable value is 2.67, this means that online customer ratings, online customer reviews, and price perceptions simultaneously affect purchasing decisions, it is concluded that H4 is accepted. This is in accordance with the statistical test Fhitung greater than Ftable ($16.875 > 2.67$) and a significance of $0.000 < 0.05$. The coefficient of termination is closer to 1, the independent variable affects the dependent variable, besides that the coefficient of termination (R2) is used to determine the percentage change in the dependent variable (Y) caused by the independent variable (X). Then thus can be seen in the following table:

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.830 ^a	0.689	0.682	0.577

Source : Data Processed (2024)

Based on the table above, the correlation coefficient (R) value is 0.830 or 83%, this value indicates that there is a strong relationship / correlation between the online customer rating variable, online customer review, and price perception on purchasing decisions. While the diterminsi coefficient (R Square) is 0.689, meaning that online customer rating, online customer review and price perception explain their influence on purchasing decisions by 68.9%, the remaining 31.1% is influenced by other factors outside this study. In the Adjusted R Square value of 0.682, which means that in this study the independent variable affects the dependent variable by 68.2%, while the remaining 31.8% is influenced by other variables.

3.2 Discussion

The Effect of Online Customer Rating on Purchasing Decisions

Based on the results of the research, Online Customer Rating has a positive and significant effect on Purchasing Decisions in Shopee e-commerce on FEB Management Students, Malikussaleh University Class of 2020. This can explain the decision of Class of 2020 Management Student customers to buy in Shopee e-commerce is influenced by Online Customer Rating. This can be seen from the tcount value of 2.693 and ttable of 1.140 with a significant level of 0.008. The results of this study are in line with research conducted (Sun et al., 2020; Siddique, 2018; Shen et al., 2018; Gosai, 2020; Maulidar, 2022; Darmawan, 2023; Istiqomah & Marlana, 2020).

Effect of Online Customer Review on Purchasing Decisions

Based on the results of the study, it shows that Online Customer Review has a positive and significant effect on Purchasing Decisions for Management Students of FEB Malikussaleh University Class of 2020. This can be seen from the tcount value of 3.456 and t table of 1.140 with a significant level of 0.001. This can explain that customer decisions on Management Students in Shopee e-commerce are influenced by Online Customer Review. The results of this study are in line with the results of research by (Ali et al., 2021; Zhong et al., 2021; Maslowska et al., 2017; Hu et al., 2014; Yaylı & Bayram, 2012; Ardianti & Widiartanto 2019; Maulidar, 2022; Darmawan, 2023).

The Effect of Price Perception on Purchasing Decisions

The results showed that Price Perception had a positive and significant effect on Purchasing Decisions of Management Students of Malikussaleh University Class of 2020. This can be seen from the tcount value of 3.695 and t table of 1.140 with a significant level of 0.000. This can explain that customer decisions on Management Students in Shopee e-commerce are influenced by Price Perception. The research is in line with research conducted by (Steven et al.,

2021; Haitao, 2022; Christian et al., 2020; Kadi *et al.*, 2023; Havidz & Mahaputra, 2020; Mardiasih 2019; Soliha & Fatmawati, 2017; Maulidar, 2022; Darmawan, 2023).

Effect of Online Customer Rating, Online Customer Review and Price Perception on Purchasing Decisions

Based on the results of this research, Online Customer Rating, Online Customer Review and Price Perception have a positive and significant effect on Purchasing Decisions for Management Students of FEB Malikussaleh University Class of 2020. This can be seen from the significant value and the specified significant level, as well as the calculated F value which is greater than the F table ($33.898 > 2.67$). This explains that customer decisions on Management Students in Shopee e-commerce are influenced by Online Customer Rating, Online Customer Review and Price Perception as a whole.

4. CONCLUSION

1. Online customer rating has a positive and significant effect on purchasing decisions in Shopee e-commerce for Malikussaleh University FEB Management Students Class of 2020.
2. Online customer review has a positive and significant effect on purchasing decisions in Shopee e-commerce for FEB Management Students, Malikussaleh University, Class of 2020.
3. Price perceptions have a positive and significant effect on purchasing decisions in Shopee e-commerce on Malikussaleh University FEB Management Students, Class of 2020.
4. Online Customer Rating, Online Customer Review and Price Perception have a positive and significant effect on Purchasing Decisions for FEB Management Students of Malikussaleh University, Class of 2020.

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