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THE INFLUENCE OF PRODUCT REVIEWS, PRICES AND TRUST ON ONLINE PURCHASE DECISIONS AT SHOPEE

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ABSTRACT

The digital industry in Indonesia is growing and increasing very rapidly, one of the growing industries is the e-commerce industry in Indonesia. Trust, researchers conducted research on Shopee. In this study, the population consisted of customers in Bandung who had used the Shopee program for online shopping and the exact number was not known. The sample technique used is purposive sampling, with respondents consisting of Bandung residents who have used the *Shopee* program *at least three times for online purchases. This research was conducted in Bandung. The investigation stage lasted for six months. There are independent factors and dependent variables in this study. Product reviews, cost and trust are independent factors. Whereas the bound variable is the option to buy. According to the research findings, product reviews do not affect purchasing decisions on Shopee. Shopee buyers are affected by the price when making a purchase. Shopee's purchasing decisions are influenced by consumer trust, Product Reviews, Pricing, and Trust all have an effect on the Purchase Decision.*

INTRODUCTION

The rapid development of e-commerce has given rise to many marketplaces in Indonesia such as Bukalapak, Shopee, Lazada, Tokopedia which are growing rapidly in Indonesia today (Nugroho, 2021). Based on research from "Navigating Indonesia's E-Commerce: Omnichannel as the Future of Retail", it is known that consumers who shop online are 74.5 percent more than consumers who shop offline. The growing trend of online shopping is also one of the factors that encourage MSME players to adapt to the digital ecosystem, namely by selling through the marketplace so that they can increase sales and continue to meet public demand (BizzInsight, 2021).

Ipsos, a world market research institute, found that Shopee, which first entered Indonesia in 2015, thrives in the country. According to a poll conducted by global market research firm Ipsos, Shopee, which first entered Indonesia in 2015, topped the rankings in terms of brand, usage, most, and often (BUMO), top-of-mind awareness, number of transactions, and transaction value over the past three months. 54% of respondents preferred Shopee based on the BUMO index, followed by 30% for Tokopedia and 13% for Lazada. Regarding the size of brand awareness, Shopee has the largest score. According to 54% of respondents, Shopee is the most memorable e-commerce site. Tokopedia was chosen by 27% of respondents, while Lazada was chosen by 11%. Based on these criteria, it can be concluded that Shopee has become the most popular online shopping brand among most Indonesian consumers (Rayana, 2022).

Before buying a product, buyers often consider various things. This includes product assessment, affordability, and dependence. According to his research (Ilmiyah & Krishernawan, 2020), online purchasing decisions are significantly influenced by price. On Shopee, consumers can see the prices of the goods they are interested in, and prices can be sorted from lowest to highest, allowing them to search for goods at the desired price. Customers can publish product reviews on Shopee by rating between 1 and 5 stars (from worst to best). Shopee makes it easy for consumers to find the items they need.

Buyer trust is certainly very important. Because the business sector activities carried out are online-based, sellers do not meet buyers in person (Malau, 2016). In addition, Shopee guarantees security through a product return system and the provision of joint accounts to protect consumers from fraud.

From the description above, it is known that (Sudjatmika, 2017) has conducted a similar study with the variables Product Review, Price, Security, purchasing decisions. In this research, the difference from the study is the existence of various different research results, and the presence of samples and populations that have not been studied before. So the researcher wanted to develop the research by adding the Trust variable, the researcher conducted a research on Shopee. So this research is entitled "The Influence of Product Reviews, Prices and Trust on Online Purchasing Decisions on Shopee in Bandung".

The purpose of this study is to determine whether there are any influences:

1) To find out how product reviews affect online purchasing decisions on Shopee;
2) To find out how product prices affect online purchasing decisions at Shopee;
3) To find out how trust affects online purchasing decisions at Shopee; and
4) To find out how product reviews, prices, and trust affect online purchasing decisions on Shopee.

METHOD

Population and Sample

The demographics included in this study consist of customers in Bandung who have experience buying online using Shopee, but the number is uncertain. Because the exact number of Shopee application users in Bandung is not clear, the researcher will use the Lameshow formula.

$$n = \frac{Z^2 x\ P\ (1\ -\ P)}{d^2}$$

Information:

n = sample

Z = Z score at 95% confidence = 1.96

P = prevalence of outcomes, data has not been obtained then used (50% = 0.5)

d = sampling error (10% = 0,10)

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

Therefore, researchers used a sample size of at least 96 Bandung residents who had made online purchases using the Shopee program.

Research Location and Time

This research was conducted in Bandung for six months.

Data and Data Collection Methods

This study uses two types of data, yesthe primary data is collected through an online survey given to Bandung-based buyers who have used the Shopee application for online purchases, and secondary data obtained from books and websites related to the issues to be discussed.

Data Analysis Methods

Data processing in this study used SmartPLS Software version 3.0. There are three analysis methods used, namely outer model analysis, inner model analysis, and hypothesis testing.

RESULT AND DISCUSSION

Outer Model Test

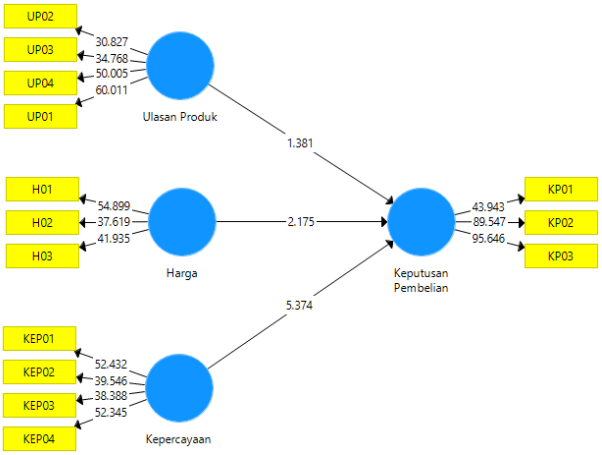


Figure 1. Outer Model Test

An external model analysis is performed to ensure that the applied measurements can be used as measures (valid and reliable). It describes the relationship between latent variables and their indices in the form of this analysis. Some signs allow the researcher to find an outside analysis of the model

Convergent Validity

Table 1. Convergent Validity Test

Item Number	Outer Loading			
	Price	***Trust***	***Purchasing Decision***	***Product Reviews***
H01	0.901			
H02	0.872			
H03	0.893			
KEP01		0.895		
KEP02		0.875		
KEP03		0.882		
KEP04		0.912		
KP01			0.904	
KP02			0.940	
KP03			0.932	
UP01				0.906
UP02				0.823
UP03				0.879
UP04				0.880

Convergent validity research using Outer Loadings revealed that the items tested had Outer model values greater than 0.700. Therefore, such items are legitimate.

Discriminant Validity

Table 2. Discriminant Validity Test

Variable	Price	Trust	Purchasing Decision	Product Reviews
Price	0.889			
Trust	0.893	0.891		
Purchasing Decision	0.881	0.922	0.926	
Product Reviews	0.895	0.903	0.880	0873

Based on the tendency of discriminant validity, there is a difference in the value of the correlation between one construct and another. This shows that each construct has a good ability to be distinguished from one another because there are differences in correlation values between one construct and another. Analysis using AVE shows the following uses:

Table 3. AVE Test

Variable	Price
Price	0.789
Trust	0.794
Purchasing Decision	0.857
Product Reviews	0.762

Composite Reliability

Table 4. Reliability Test

Variable	Cronbach's Alpha	Composite reliability
Price	0.867	0.918
Trust	0.913	0.939
Purchasing Decision	0.916	0.947
Product Reviews	0.895	0.927

Based on the data presented in the table just presented, the Composite Reliability value for Price is 0.918, the Composite Reliability value for Trust is 0.939, the Composite Reliability value for Purchasing decisions is 0.947, and the Composite Reliability value for Product Review is 0.927. Therefore, it is reliable.

Cronbach's Alpha

Cronbach's Alpha is a reliability test used to amplify the combined results of dependence. A variable is said to be believable if Cronbach's alpha is better than 0.70.

Inner Model Test

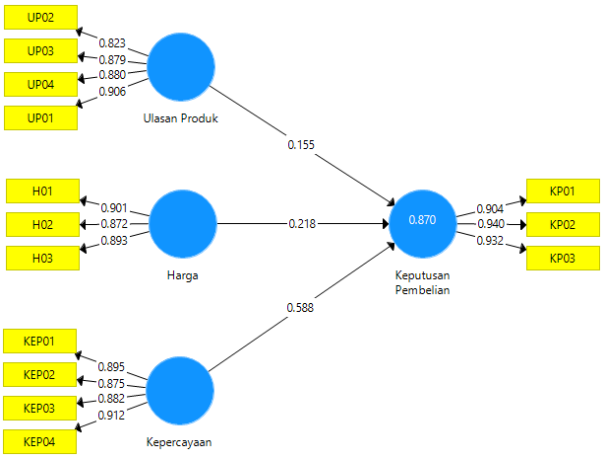


Figure 2. Inner Model Test

Goodness of Fit Test

This test is used to test research hypotheses. To perform a PLS analysis using the Smartpls 3.0 application. Therefore, SRMR value testing is a must to pass the Goodness Of Fit Model test. If the SRMR is less than 0.10, it says Perfect if it is less than 0.08.

Table 5. Goodness of Fit Test

Indicator	Saturated Model	Estimated Model
SRMR	0.065	0.065
d_ULS	0.438	0.438
d_G	0.671	0.671
Chi-Square	343.682	343.682
NFI	0.792	0.792

From the table above, an SRMR value of 0.065 is obtained, which means that the SRMR value is less than 0.10 and the SRMR value is smaller than 0.08, which means that it can be said to be Perfect Fit. In order, the model created can describe the influence between the variables studied according to the model.

Hypothesis Test

In hypothesis testing can be seen t-statistical values and probability values. To test the hypothesis using statistical statistics, the t-statistical value for alpha 5% is 1.96. In accordance with the criteria of accepting or rejecting the hypothesis, Ha is accepted and H0 is rejected when the t-statistic is greater than 1.96. To reject/accept a hypothesis based on probability, Ha is accepted if the p-value is less than 0.05.

The statistical hypotheses tested are:

1) H01: Product reviews have no bearing on purchasing decisions on Shopee;
2) H1: Product reviews have an influence on purchasing decisions on Shopee;
3) H02: Prices have no influence on purchasing decisions on Shopee;
4) H2: Price has an influence on purchasing decisions on Shopee;
5) H03: Trust has no influence on purchasing decisions on Shopee;
6) H3: Trust has an influence on purchasing decisions on Shopee;
7) H04: Product Reviews, Pricing, and Trust have no bearing on purchasing decisions; and
8) H4: Product Reviews, Pricing, and Trust have an influence on Purchasing Decisions.

Table 6. Inter-Variable Influence Test

	Original Sample	T calculate / P value	Information
Product Reviews Purchase Decisions→	0.155	1.368 (0.172)	H01 accepted, H1 rejected

Purchase Decision Pricing→	0.218	1.999 (0.046)	H02 rejected, H2 accepted
Trust of Purchasing Decisions→	0.588	5.337 (0.000)	H03 rejected, H3 accepted
Product Reviews, Pricing, Trust Purchase Decision→	0.870	The SRMR value is less than 0.10 and the SRMR value is smaller than 0.08, which means it can be said to be Perfect Fit. In a way, the model created can describe the influence between the variables studied according to the model	H04 rejected, H4 accepted

The test results according to the table above are:

1) For Hypothesis Test 1, a sig value of 0.172 was obtained which shows that the sig value is more than 0.005 so that it accepts H01 and rejects H1, indicating that product reviews have no effect on purchasing decisions at Shopee. The findings of this study are in line with the findings of Ilmiyah and Krishernawan (2021), which show that product reviews do not have a positive effect on purchasing decisions;
2) For Hypothesis Test 2, a sig value of 0.046 was obtained which shows that the sig value (0.046) is smaller than 0.005 so that it rejects H02 and accepts H2 stating that the price affects the purchase decision at Shopee. Thus, research conducted by (Laili Hidayati, 2018) shows that product prices have a significant positive effect on purchasing decisions; Research (Laili Hidayati, 2018) explained that consumers will consider prices on Shopee products that are affordable to consumers and consumers are more interested in products that match their purchasing power;
3) For Hypothesis Test 3, a sig value of 0.000 was obtained which indicates that the sig value (0.000) is 0.005 less than the sig value (0.000). Therefore, reject H03 and accept H3, which shows that trust influences purchasing decisions on Shopee. Anggraeni and Madiawati (2016) asserts that trust has a great beneficial influence on purchasing decisions; Anggraeni & Madiawati (2016) added that customer trust plays an important role in their purchasing decisions. In accordance with this, Ilmiyah & Krishernawan (2020) and Mahkota (2014) show that trust has a considerable and strong influence on purchasing decisions; and
4) For Hypothesis Test 4, an SRMR value of less than 0.10 and an SRMR value of less than 0.08 indicates a perfect match; thus, H04 is rejected and H4 is accepted. As a result, Product Reviews, Pricing, and Trust all contribute to the Purchasing Decision. According to Kotler and Keller (2016), consumer purchasing decisions are a component of consumer behavior, which is the study of how individuals, groups, and organizations choose, acquire, utilize and experience goods, services and ideas to satisfy their needs. desire. and desire. This conclusion is in accordance with previous

research conducted by Andiani (2019), Laili Hidayati (2018), and Anggraeni & Madiawati (2016), which studied the influence of product reviews, prices, and trust on purchasing options simultaneously.

R-Square Analysis

Table 7. R-Square Analysis

	R Square	Adjusted R Square	Information
Purchasing Decision	0.870	0.866	Magnitude of influence = 87.0%

Based on the table above, the joint influence of Product Reviews, Price, and Trust in Purchasing Decisions is 0.870, or the simultaneous influence is 87.0%.

Indicator Influence Test

Table 8. Indicator Influence Test

Variable	Item No	Indicator	Value
Product Reviews	UP01	Awareness	0.906
	UP02	Frequency	0.880
	UP03	Comparison	0.879
	UP04	Influence	0.823
Price	H01	Price Eligibility	0.901
	H02	Conformity of Price to Product Quality	0.872
	H03	There are Discounts or Discounts	0.893
Trust	KEP01	Benevolence	0.985
	KEP02	Ability	0.875
	KEP03	Integrity	0.882
	KEP04	Willingness to depend	0.912
Purchase Decisions	KP01	Product Review Factors	0.904
	KP02	Price Factors	0.940
	KP03	Trust Factor	0.932

Discussion

Based on the analysis of the research indicators, it is known that currently the Product Review Variable has the highest indicator of Awareness with a coefficient of 0.906 thus, the product reviews given can raise consumer awareness. For the price variable, the highest indicator is price feasibility with a coefficient of 0.901. Thus, the price given by consumers is relatively feasible because it has a *value* that matches the price. For the trust variable, it was found that the *Benovelence* indicator has the highest indicator of 0.985, which illustrates that consumers believe

that the company provides sincerity to provide services. In order, it is obtained that the company is considered by consumers to have the sincerity to be able to provide the products and services needed, and for the variable the Purchase Decision has the highest indicator, namely Price, with a quantity of 0.940. Thus, it is known that the price component offered is one of the considerations for consumers to make a purchase decision.

Product evaluation at Shopee has a small effect on purchasing decisions. The findings of this study are in line with the findings of Ilmiyah and Krishernawan (2021), who found that product reviews have little influence on consumers' purchasing decisions.

The price affects the purchasing decisions made by Shopee. As a result, research conducted by Laili Hidayati (2018) shows that product prices have a fairly favorable impact on purchasing decisions. According to research Laili Hidayati (2018), people will research the cheap prices of Shopee goods and be more interested in things that match their purchasing power.

Shopee consumers are influenced by their level of trust. According to the research findings, this study is consistent with research by Anggraeni and Madiawati (2016) which confirms trust has a large favorable influence on purchasing decisions. According to Anggraeni & Madiawati (2016), customer trust is crucial to their purchasing decisions. In accordance with this, Ilmiyah & Krishernawan (2020) and Mahkota (2014) affirm that trust has a fairly strong and substantial impact on purchasing decisions.

This shows that Product Reviews, Pricing, and Trust all influence purchasing decisions together. According to Kotler and Keller (2016), consumer purchasing decisions are elements of consumer behavior, which are the study of how people, groups, and organizations choose, buy and use goods, services, ideas, or experiences to meet their needs. . This finding is in line with previous research conducted by Andiani (2019), Laili Hidayati (2018), and Anggraeni & Madiawati (2016), which simultaneously examined the influence of product reviews, prices, and trust on purchasing decisions.

CONCLUSION

Product reviews have a positive and significant influence on online purchasing decisions in Shopee.com. Price has no effect on online purchasing decisions in Shopee.com. Trust has no effect on online purchasing decisions in Shopee.com. Product reviews, pricing, and trust stimultanly influence online purchasing decisions in Shopee.com

Shopee can pay more attention to the price element by offering additional discount programs or free shipping programs to clients without requiring them to buy in bulk or use Shopee payments. The free shipping program must have a reasonable minimum purchase requirement, such as Rp. 50000. It is recommended that more and more people are interested in buying goods through Shopee.

Product Reviews are factors that are known not to affect online purchase decisions at Shopee.com. Buyers means that they are still not aware and have not used the product review feature on Shopee to the fullest. Thus, Shoppee Indonesia must improve the product review system, so that it can be more helpful for someone to be able to attract purchase decisions in the

future. In accordance with the indicator variable review produk which has the lowest indicator is the Influence indicator, thus, the company can continue to encourage influential people to give reviews to increase trust.

Price is one of the components that drive consumers' purchasing decisions. With demikin, the company can push up good prices. It is known for the Price variable that has the lowest indicator is the indicator of Price Conformity with Product Quality, thus, the company still needs to improve the quality of the products offered, with the aim of being able to drive purchasing decisions to consumers in the future.

The existence of consumer confidence is a factor that drives purchasing decisions. For this reason, companies must be able to encourage consumer confidence. It is known that the Trust variable that has the lowest indicator is the *Ability* indicator , so companies need to improve the capability component, by increasing the standardization of service and employee knowledge and experience to face consumer demand.

The product review feature at Shopee has an influence on product selection, where the Product Reviews, prices, and beliefs mentioned above must be further improved. For the Purchase Whiteness variable that has the lowest indicator is the Product Review Factor indicator. For this reason, companies need to encourage product reviews that are better able to represent the components of consumer needs, with the aim of being able to encourage greater purchasing decisions in the future.

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