



The Influence of Online Customer Reviews and Online Customer Ratings on Product Purchase Decisions on The Tokopedia Marketplace

Desma Yanti¹, Nonita Kristya Ningsih², Johan Gunady Ony³, Shinta Putri Suhalm⁴

Universitas Katolik Musi Charitas Palembang; Email : desmayanti405@gmail.com

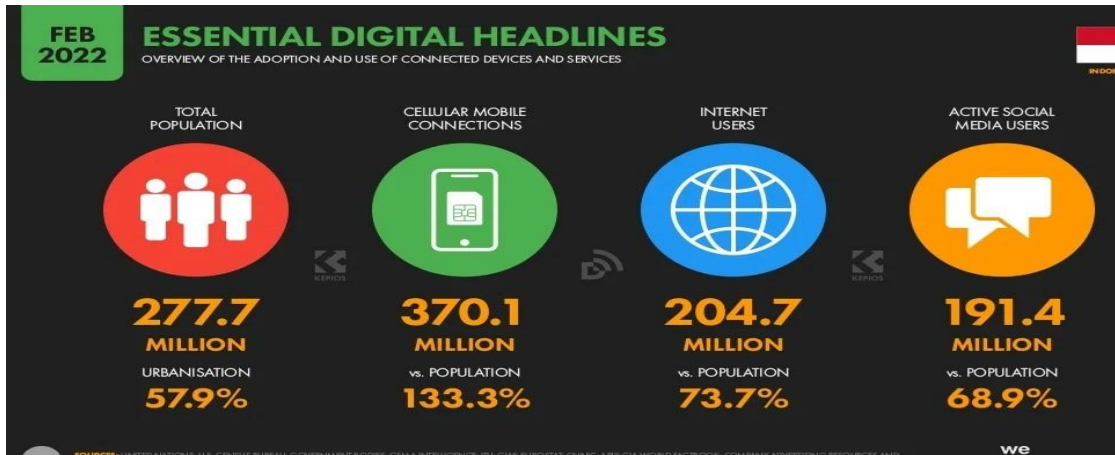
Abstract. The purpose of this study is to find out the influence of online customer reviews and online customer ratings on purchasing decisions. The target of this study is Indonesian people who have shopped using Tokopedia. The method to be used in this study is a survey method by distributing questionnaires online as a data collection tool. The sample to be used in this study is 100 respondents randomly selected from Indonesian people who have shopped at Tokopedia. The collected data will be analyzed using linear regression methods to test the hypotheses that have been formulated.

Keywords: Online Customer Review; Online Customer Rating; Purchase Decisions.



A. INTRODUCTION

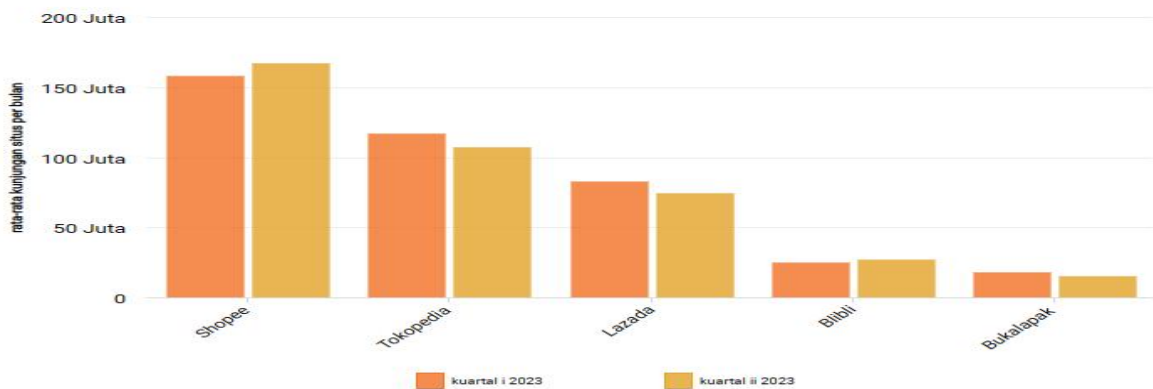
In the current era, it is undeniable that the internet is one of the sources of supporting community activities in all circles. The Internet allows everyone to obtain information from others very quickly. One tangible manifestation of the impact of the internet is social media and *e-commerce*.



Source: Hootsuite (We are Social) Indonesia Digital Report 2022 (<https://andi.link/hootsuite-we-are-social-indonesian-digital-report-2022/>)

Figure 1. Mobile, Internet and Social Media Users February 2022

The intensity of internet use in Indonesia is quite high. It can be seen in figure 1.1 with a population of 277.7 million people, 73.7% or around 204.7 million people are internet users and 191.4 million people are active on social media. About 370.1 million *mobile phones* are connected to access the internet. From these data, it can be concluded that the majority of the Indonesian population actively uses the internet and social media through *mobile phones*. The large number of internet users is proof that the internet is one of the necessary needs in this era. With the dependence of the community on the internet, there has been a change that originally did many things offline and then switched to online, including people's shopping activities. This makes a significant increase in *e-commerce*.



Source : databoks.katadata.co.id

Figure 2 E-commerce Visits Data During the First & Second Quarters of 2023



It can be seen from the data above, the 5 e-commerce sites in the marketplace category with the most visitors in Indonesia in the first and second quarters of 2023 are Shopee, Tokopedia, Lazada, Blibli, and Bukalapak. In the first quarter Shopee visitors were 158 million, Tokopedia as many as 117 million, Lazada 83.2 million, Blibli 25.4 million and Bukalapak as many as 18.1 million. Meanwhile, in the second quarter of 2023, Shopee achieved an average of 166.9 million visits per month, up 5.7% compared to the previous quarter. In the same period Blibli's average visits rose 6.6% while Tokopedia fell 8.4%, Lazada fell 10.5% and Bukalapak fell 13.8% with details as seen in the chart.

Table 1 Top Brand Index Data for Online Buying and Selling Category 2020-2022

	2020	2021	2022
SHOPEE	20,0%	41,8%	43,70%
TOKOPEDIA	15,8%	16,7%	14,90%
BUKALAPAK	12,9%	9,5%	8,10%
LAZADA	31,9%	15,2%	14,70%
BLIBLI	8,4%	8,1%	8,10%

Source : www.topbrand-award.com

In 2020, Tokopedia reached 15.8%, in 2021 it increased by 0.9%, then in 2022 Tokopedia decreased by 1.8%. When viewed from the data above, Tokopedia obtained the Top 2 for 3 consecutive years and Tokopedia is still superior to Bukalapak, Lazada, and Blibli. Tokopedia has various product categories such as Household, Mobile-Tablet, Kitchen, Beauty, Food-Beverage, Office-Stationary, Health, Electronics, Carpentry and Party Craft Equipment.

On its website, Tokopedia provides a place for consumers to provide a satisfaction level value for the service and product quality provided by each online store in Tokopedia. The assessment can be seen in the column provided by Tokopedia on each existing online store profile. There are two types of ratings, namely comments (reviews) and ratings in the form of stars that have a scale of one to five. The habits of people who previously wanted to buy a product will automatically look for information by looking at the physical product, quality of materials, compatibility with prices, services and so on can be seen and felt directly but differently when people will buy a product through an online shop, buyers will not be able to see and feel directly the physical products and services of the seller, therefore buyers will try to get information on the products and services they will buy through online customer reviews and online customer ratings.

Online customer reviews are one aspect that ensures consumer purchasing decisions, and proves that the number of reviews can be seen as a sign of product popularity or product value that affects the desire to buy the product. According to Almana and Mirza (2013) "Online Customer Review is used as a means for consumers to find and obtain information that will later influence purchasing decisions." But an increase in reviews does not mean that the product will be purchased by customers. Shin & Lee (2014).

Rating is another type of opinion from many people and is an assessment of buyers, raters of products or services from sellers (Fileri, 2014). This is because rating is one way for potential customers to get information about sellers and products. According to Damayanti (2019), Online Customer Rating is part of Online Customer Review which uses the form of star symbols rather than text in expressing customer opinions. The higher



the star rating given by consumers, the more likely the quality of the product offered is better. Rating also has a relationship with consumer buying interest and purchase decision making as explained by (Moe and Schweidel 2012) However, research conducted by Anna (2021) shows that online customer rating does not affect purchasing decisions.

Purchasing decisions are part of consumer behavior, which is the study of how individuals, groups and organizations choose, buy, use goods, services, ideas and experiences to satisfy their needs and desires (Kotler and Keller, 2016).

Consumers spend money in the hope of buying reliable products or services so that the money spent with the products obtained is balanced and equal. So, with this consumers become more careful in spending money, if they feel that the product purchased is not in accordance with the price, then consumers tend not to make purchases. Research conducted by Kannaiah (2015) states that the factors that influence consumer purchases online are information about products, online payments, convenience in transactions, consumer attitudes towards online shopping, ease of shopping, and flexibility. Some of these factors are psychological factors of consumers, where each consumer can have differences in assessment according to the perception of each consumer.

When viewed from a buyer's point of view, nowadays it is very difficult to make a purchasing decision as a result of so many choices yet very few differences. Especially when buyers want to buy products on the marketplace where there are very many sellers who provide a variety of choices so that consumers are increasingly difficult to decide on their purchases.

Research conducted by Henny, et al (2022) *Online Customer Review* has a positive effect on online purchasing decisions. As stated by Sulton, et al (2017) that Online Customer Rating has a significant effect on purchasing decisions. Research conducted by Fransiska (2017) states that there is no significant influence between online customer reviews on purchasing decisions.

Because of the differences in research that has been done by several researchers, the author wants to find out more whether Online Customer Reviews and Online Customer Ratings are related to Purchasing Decisions so more in-depth research is needed. Therefore, the researcher took the title "The Influence Of Online Customer Review And Online Customer Rating On Purchasing Decisions On The Tokopedia Marketplace."

B. LITERATURE REVIEW

Online Customer Reviews

Online customer reviews are part of Electronic Word Of Mouth, which represents the opinions of buyers. Consumer reviews are one of several aspects that ensure consumer purchasing decisions, and prove that the number of reviews can be seen as a marker of product popularity or product value and influence the desire to buy the product. According to Almana and Mirza (2013) "Online Customer Review is used as a means for consumers to find and obtain information that will later influence purchasing decisions." However, an increase in reviews does not mean that the product will be purchased by customers. Shin, S.Y. and Lee, E-J. (2014).

Online Customer Rating

Online customer rating is a part of Online Customer Review that uses symbols or scores as a way to express judgments from consumers (Chatterjee, 2019). Rating or rating is one way for customers to get an idea of product quality. Ratings are carried out by



consumers who have made purchases online and posted on marketplace sites. In general, ratings are one way to provide feedback from consumers to sellers. Rating is another type of opinion from many people and is an assessment of buyers, raters of products or services from sellers (Filleri, 2014). This is because rating is one way for potential customers to get information about sellers and products. According to Damayanti (2019), Online Customer Rating is part of Online Customer Review which uses the form of star symbols rather than text in expressing customer opinions. The higher the star rating given by consumers, the more likely the quality of the product offered is better. As stated by Sulton, et al (2017) that Online Customer Rating has a significant effect on purchasing decisions.

Purchase Decision

Purchasing decisions are part of consumer behavior, which is the study of how individuals, groups and organizations choose, buy, use goods, services, ideas and experiences to satisfy their needs and desires (Kotler and Keller, 2016).

Consumers spend money in the hope of buying reliable products or services so that the money spent with the products obtained is balanced and equal. So, with this consumers become more careful in spending money, if they feel that the product purchased is not in accordance with the price, then consumers tend not to make purchases. Research conducted by Kannaiah (2015) states that the factors that influence consumer purchases online are information about products, online payments, convenience in transactions, consumer attitudes towards online shopping, ease of shopping, and flexibility. Some of these factors are psychological factors of consumers, where each consumer can have differences in assessment according to the perception of each consumer.

When viewed from a buyer's point of view, nowadays it is very difficult to make a purchasing decision as a result of so many choices yet very few differences. Especially when buyers want to buy products on the marketplace where there are very many sellers who provide a variety of choices so that consumers are increasingly difficult to decide on their purchases. Purchasing decisions are influenced by many factors.

There are four indicators in Thompson's purchase decision (2016: 57), namely: 1) As needed: customers make purchases because the products offered are as needed and it is easy to find the goods needed. 2) Have benefits: the products purchased are very meaningful and useful for consumers. 3) Accuracy in Buying Products: Product Prices according to Product Quality and as desired user. 4) Repeat purchases: the condition of consumers who are satisfied with previous transactions so they intend to always make transactions in the future.

In this study, researchers wanted to examine two factors that influence purchasing decisions. The two factors are Online Customer Review and Online Customer Rating.

C. RESEARCH METHODOLOGY

The type of research used in this study is empirical research. Because this research is based on observations and research that has been done. According to Sugiyono (2013) Empirical research is an observation method carried out by the human senses, so that the research method used can also be known and observed by others.

Population is a generalized area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Sugiyono, 2016: 148). The population in this study is Indonesians who have shopped through the Tokopedia marketplace.



The sample is part of the number of characteristics possessed by that population. If the population is large and it is impossible to study everything in the population, then researchers can use samples taken from the population (Sugiyono, 2016: 149).

The sample in this study used non-probability-based selection with *purposive sampling* techniques. *Purposive sampling* is a sampling technique with certain considerations (Sugiyono, 2012: 68). The sample criteria are consumers who have shopped at Tokopedia. The data used in this study are qualitative. The data used for processing is primary data, namely data obtained directly from the main source (respondents), this data is obtained by means of surveys, namely distributing questionnaires online to respondents.

C. RESULT AND DISCUSSION

Table 2. Validity test results

Variable	Indicators	Sig.	Conditions	Result
Online Customer Reviews (X1)	CV1	0,000	0,05	VALID
	CV2	0,000	0,05	VALID
	CV3	0,000	0,05	VALID
	CV4	0,000	0,05	VALID
	CV5	0,000	0,05	VALID
	CV6	0,000	0,05	VALID
	CV7	0,000	0,05	VALID
	CV8	0,000	0,05	VALID
	CV9	0,000	0,05	VALID
Online Customer Rating (X2)	CR1	0,000	0,05	VALID
	CR2	0,000	0,05	VALID
	CR3	0,000	0,05	VALID
	CR4	0,000	0,05	VALID
	CR5	0,000	0,05	VALID
	CR6	0,000	0,05	VALID
Purchase Decision (Y)	KP1	0,000	0,05	VALID
	KP2	0,000	0,05	VALID
	KP3	0,000	0,05	VALID
	KP4	0,000	0,05	VALID
	KP5	0,000	0,05	VALID
	KP6	0,000	0,05	VALID
	KP7	0,000	0,05	VALID
	KP8	0,000	0,05	VALID

Based on table 2 it can be concluded that all statements are valid because the sig of each variable < 0.05.



Reliability Test

Table 3 Reliability Test Results

Variable	Cronbach's Count	Alpha	Cronbach's Standard	Alpha	Information
Online Customer Reviews (X1)	0,705		0,6		Reliable
Online Customer Rating (X2)	0,662		0,6		Reliable
Purchase Decision (Y)	0,624		0,6		Reliable

Based on table 3 above, it can be concluded that all reliable statements are based on Cronbach's alpha value > 0.6 (*Cronbach's alpha Standard*)

The Multiple Regression Testing

Tabel 4 The Multiple Regression Testing

Variable	B	t	Sig.	Result
(Constant)	1,848	1,001	0,309	
Online customer reviews	0,369	4,560	0,000	H1 : Accepted
Online customer ratings	0,713	6,607	0,000	H2 : Accepted
F Value : 200,024				
Adj R ² : 0,799				

Partial Test (t Test)

Based on table 4 above, it states that the results of the t test show that the online customer review variable has a positive effect on the purchase decision so that H1 is accepted. While the online customer rating variable has a positive effect on purchasing decisions. Where the online customer review variable has a significance value of 0.000 < 0.05 which states that the price variable has a positive effect on the purchase rate, and the online customer rating variable has a significance value of 0.000 < 0.05 which states that the online customer rating variable has a positive effect on the purchase.

E. Conclusion

Based on the results of research and discussion that has been carried out in previous chapters, this research can be drawn the following conclusions, Online Customer Review, has a positive and significant influence on purchasing decisions on the Tokopedia marketplace. This proves that the more reviews given, the more likely consumers will make purchase decisions on the Tokopedia marketplace. Online Customer Rating, has a positive and significant influence on purchasing decisions on the Tokopedia marketplace. This proves that existing ratings can make purchase decisions on the Tokopedia marketplace.

The suggestion in future research is to add other variables that influence purchasing decisions such as Trust and Ease.



Based on the results of the coefficient of determination (R^2), the variables Online Customer Review and Online Customer Rating explained the purchase decision variable by 79.9% and the remaining 20.1% explained by other variables outside this study. So, for the next study, it is expected to be able to explain the 20.1% by other variables outside this study.

Based on the results of the study, it was found that Online Customer Review and Online Customer Rating have a positive and significant effect on purchasing decisions on the Tokopedia marketplace. So the results of this study are expected to strengthen the weaknesses of previous research results, and can add knowledge and insight or be used as a reference by researchers Next will develop this research.

Based on the results of the study, it was found that online customer reviews and online customer ratings have a positive and significant effect on purchasing decisions on the Tokopedia marketplace. From the results of statistical test analysis, it shows that the variable online customer review, consumers are very concerned about reviews of the products they want to buy. As well as in the variable online customer rating, rating is very much a consideration for consumers in the process of purchasing a product.

REFERENCES

- Ardianti, A. N. and Widiartanto, W. 2019. The Influence of Online Customer Reviews and Online Customer Ratings on Purchasing Decisions through the Shopee Marketplace (Study on Active Students of FISIP Undip). *Journal of Business Administration Sciences*, 8(2). 55-66.
- Decision on purchasing cosmetic products at Sociolla. *Mirai Management Journal*, 5(3), 139-154.
- Farki, A., & Baihaqi, I. (2016). The influence of online customer reviews and ratings on trust and purchase interest in online marketplaces in Indonesia. *ITS Engineering Journal*, 5(2), A614-A619.
- Hariyanto, H. T., & Trisunarno, L. (2021). Analysis of the Influence of Online Customer Reviews, Online Customer Ratings, and *Star Sellers* on Customer Trust to Purchase Decisions on Online Stores at Shopee. *ITS Engineering Journal*, 9(2), A234-A239.
- Heliawan, Y. A., & Vishnu, A. M. (2018). Analysis of factors that influence consumer behavior in purchasing decisions for Toyota Avanza cars in Kartasura District, Sukoharjo. *Journal of Accounting and Taxation*, 18(02), 174-180.
- Arthur A. Thompson, M. A. (2016). *Crafting and executing strategy: the quest for competitive advantage, concepts and readings*. New York: McGraw-Hill Education
- Hidayati, N. L. (2018). The influence of viral marketing, online consumer views and prices on Shopee's purchase decisions in Surabaya. *Journal of Commerce Education (JPTN)*, 6(2).
- Ichsan, M., Jumhur, H. M., & Dharmoputra, S. (2018). The influence of consumer online rating and review on consumer buying interest in the Tokopedia marketplace in the DKI Jakarta area. *eProceedings of Management*, 5(2).
- Latief, F., & Ayustira, N. (2020). The Influence of Online Customer Reviews and Customer Ratings on



- Nawang Sari, S., & Pramesti, W. N. (2017). The Effect of Trust, Service Quality, and Security on Purchasing Decisions (Case Study in Tokopedia.com). *Indonesian Journal of Management and Business*, 4(3), 385-394.
- Ningsih, E. S. P. (2019). The influence of *ratings* and *online customer reviews* on online purchase decisions on the SHOPEE marketplace. *University of Muhammadiyah Surakarta*.
- Pratama, Y. E., Sudarwati, S., & Istiqomah, I. (2019). Online Purchase Decisions through the Shopee Application in Surakarta Reviewed from Service Quality, Online Customer Reviews and Trust. *Edunomika Scientific Journal*, 3(02).
- Saskiana, D. (2021). *The influence of online customer reviews, online customer ratings, e-service quality, e-trust and price on buying decisions on Shopee marketplace consumers in Surabaya* (Doctoral dissertation, UIN Sunan Ampel Surabaya).
- Sudjatmika, F. V. (2017). The influence of price, product reviews, convenience, and security on online purchase decisions on Tokopedia. com. *Agora* 5(1).www.shopee.co.id