

The Role of Online Customer Reviews and Online Customer Ratings on Purchasing Decisions on E-Commerce Shopee

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Abstract

This research aims to investigate how online customer reviews and ratings influence purchasing behavior on the Shopee e-commerce platform. Utilizing online survey methods, data were collected from students at the University of Bandar Lampung who are active Shopee users to understand the relationship between online customer reviews and ratings with purchasing decisions. Multiple linear regression analysis was employed to test the influence of independent variables on the dependent variable. Findings indicate that both factors significantly impact purchasing decisions on Shopee. The implications of these results highlight the importance of managing and improving the quality of customer reviews and ratings to create a positive shopping experience and motivate more purchasing decisions on e-commerce platforms. This research provides valuable insights for e-commerce practitioners to optimize their marketing strategies and brand reputation management on platforms like Shopee. By understanding the crucial role of customer reviews and ratings, companies can develop more effective strategies to enhance consumer trust and drive sales growth. Furthermore, this research contributes theoretically by expanding understanding of the factors influencing purchasing decisions in the context of e-commerce.

Keywords: Online Customer Reviews; Online Customer Ratings; Buying decision.



INTRODUCTION

In the rapidly evolving digital era, e-commerce has emerged as one of the most dominant forms of trade worldwide. The shifting consumer behaviors, increasingly oriented towards internet usage and technology, have transformed our shopping habits (Nurmaningsih, 2023). Technological advancements and e-commerce platforms have provided customers with easier and quicker access to purchasing products and services from the comfort of their own homes (Patmarina & Faqih, 2016).

According to the survey conducted by Shopback with 2,455 respondents, it was found that 83% of consumers are satisfied with e-commerce. However, this is a decrease from the previous year's satisfaction rate of 98%. The reasons for this dissatisfaction are as follows:

Table 1. Causes of Consumer Dissatisfaction with E-Commerce

No	Reason	Amount	Presentation (%)
1.	Discrepancies between the products they receive and the product photos displayed in the online store.	1.544	62,9%
2.	I don't trust the reliability of the seller because I've had bad experiences with similar stores.	1.055	43%
3.	The discounted price is not accurate.	815	33,2%
4.	Ordered items that were shipped were damaged when received.	736	30%
5.	Saturated with the services and promotions offered.	515	21%

Source: Shopback (processed by marketing.co.id)

From table 1, it can be concluded that many consumers are dissatisfied because the product received does not match the one shown in the photo. One of the factors increasingly influencing customer purchasing decisions in the e-commerce environment is online customer reviews and ratings. With the presence of online customer reviews and ratings, customers can easily see reviews and ratings from previous customers who have purchased similar products (Luo et al., 2015). With the emergence of online review platforms such as those found on Shopee, consumers now have access to direct experiences and opinions of other users about specific products or services. This can minimize dissatisfaction due to differences between the product photo and the received product. Online reviews and ratings by customers have now become one of the most



valuable sources of information for customers during their purchasing decision-making process (Lubis et al., 2017).

In this context, this study aims to gain a deeper understanding of the role of online customer reviews and ratings in purchasing decisions in e-commerce. Through a thorough analysis of the role of online reviews and ratings in purchasing decisions, this research is expected to make a significant contribution to our understanding of consumer dynamics in the context of e-commerce. The findings of this study are anticipated to provide valuable guidance to e-commerce practitioners, online merchants, and marketers when designing effective strategies to enhance customer trust and positively influence purchasing decisions on the Shopee e-commerce platform.

LITERATURE REVIEW

Online customer reviews are a form of electronic communication that resembles word-of-mouth communication in the digital world (Shafa & Hariyanto, 2020). Similar to word-of-mouth, which involves individuals sharing their experiences and opinions directly with others, online customer reviews allow consumers to provide feedback about products or services directly through online platforms (Lee & Shin, 2014). This analogy highlights its organic and transparent nature, where consumers can share their experiences with others without interference from companies. In the marketing context, online customer reviews are considered an innovative method with great potential to influence consumer purchasing decisions. Reviews from fellow consumers can be a critical source of information for prospective buyers, helping them make more informed decisions (Putri & Wandebori, 2020).

Online Customer Rating is one of the forms of e-WOM, referring to the evaluations or ratings given by consumers to products or services online (Purwanto, 2021). As part of e-WOM, Online Customer Rating plays a crucial role in influencing consumer purchasing decisions. The ratings and reviews provided by consumers can offer valuable insights to prospective buyers, influencing their perceptions of a product or service and ultimately affecting their purchasing decisions (Farhanul et al., 2023). Consumers tend to trust reviews from fellow consumers because they are considered more objective and authentic than direct marketing messages from companies (Hindun et al., 2023).

Purchasing decision is one of the crucial components in consumer behavior studies which explore the process of how individuals, groups, and organizations make choices when purchasing goods, services, ideas, or experiences (Kottler & Armstrong,



2016). Consumer behavior studies aim to understand various factors influencing purchasing decisions, including psychological, social, cultural, and economic factors (Megalakaki et al., 2019). The purchasing decision process involves several stages, starting from recognizing needs or desires, seeking information, evaluating options, to making the final decision to purchase and use the product or service (Hasanah et al., 2023).

RESEARCH METHODS

Quantitative research is a research method that employs a quantitative approach in data collection, analysis, and interpretation. This method is typically used to study phenomena that can be measured quantitatively and is carried out by collecting data from a specific population or sample. The quantitative approach is based on the philosophy of positivism, which is the belief that knowledge can be acquired through objective empirical observation and testing (Sugiyono, 2019). Quantitative research is a type of research method used to test theories or hypotheses by measuring specific variables and analyzing the relationships between these variables. Quantitative research typically involves collecting measurable data in the form of numbers or statistics and applying statistical analysis techniques to test hypotheses (Juliansyah Noor, 2016).

RESULTS AND DISCUSSION

Table 2. Respondents Based on Gender

Gender	Amount	Presentation
Male	35	36%
Female	62	64%
Totally	97	100%

Source: primary data processed by researchers, 2024

Based on the collected data, it can be concluded that out of the 97 respondents involved, 35 individuals (36%) of them are male respondents, while the remaining 62 individuals (64%) are female respondents. This indicates that the dominant respondents in this study are predominantly females involved in purchasing on Shopee e-commerce, totaling 62 individuals.



Table 3. Respondents Based on Program Study

Program Study	Amount	Presentatio
Management	8	8,25%
Accounting	8	8,25%
Legal Science	8	8,25%
Public Administration	8	8,25%
Business Administration	9	9,25%
Communication Science	8	8,25%
Civil Engineering	8	8,25%
Architect	8	8,25%
Mechanical Engineering	8	8,25%
Information System	8	8,25%
Informatics	8	8,25%
English Education	8	8,25%
Totally	97	100%

Source: primary data processed by researchers, 2024

Based on the gathered data, it can be concluded that out of the 97 respondents involved, 8 individuals (8.25%) of them are respondents from the Management department, 8 individuals (8.25%) are respondents from the Accounting department, 8 individuals (8.25%) are respondents from the Law department, 8 individuals (8.25%) are respondents from the Public Administration department, 9 individuals (9.25%) are respondents from the Business Administration department, 8 individuals (8.25%) are respondents from the Communication Science department, 8 individuals (8.25%) are respondents from the Civil Engineering department, 8 individuals (8.25%) are respondents from the Architecture department, 8 individuals (8.25%) are respondents from the Mechanical Engineering department, 8 individuals (8.25%) are respondents from the Information Systems department, 8 individuals (8.25%) are respondents from the Informatics department, and the remaining 8 individuals (8.25%) are respondents from the English Language Education department. This indicates that the majority of respondents in this study are predominantly from the Business Administration department involved in purchasing on Shopee e-commerce, totaling 9 individuals.



Table 4. Respondents by Class Year

Class Year	Amount	Presentation
2019	10	10,31%
2020	35	36,08%
2021	17	17,53%
2022	16	16,49%
2023	19	19,59%
Totally	97	100%

Source: primary data processed by researchers, 2024

Based on the collected data, it can be concluded that out of the 97 respondents involved, 10 individuals (10.31%) of them are respondents from the 2019 cohort, 35 individuals (36.08%) are respondents from the 2020 cohort, 17 individuals (17.53%) are respondents from the 2021 cohort, 16 individuals (16.49%) are respondents from the 2022 cohort, and the remaining 19 individuals (19.59%) are respondents from the 2023 cohort. This indicates that the dominant respondents in this study are predominantly from the 2020 cohort involved in purchasing on Shopee e-commerce, totaling 35 individuals.

Table 5. Respondents Based on Monthly Expenditure

Spending	Amount	Presentation
< 1 Million	18	18,56%
1 Million – 3 Million	76	78,35%
3 Million – 5 Million	3	3,09%
> 5 Million	0	0%
Totally	97	100%

Source: primary data processed by researchers, 2024

Based on the collected data, it can be concluded that out of the 97 respondents involved, 18 individuals (18.56%) are respondents with expenditures < 1 Million, 76 individuals (78.35%) are respondents with expenditures ranging from 1 Million to 3 Million, 3 individuals (3.09%) are respondents with expenditures ranging from 3 Million to 5 Million,



and the remaining 0 individuals (0%) are respondents with expenditures > 5 Million. This indicates that the majority of respondents in this study are predominantly those with expenditures ranging from 1 Million to 3 Million involved in purchasing on Shopee e-commerce, totaling 76 individuals.

Table 6. Validity Test Results Online Customer Review (X1)

Variable	Indicator	Rcount	Sig	Rtable	Description
Online Customer Review (X1)	Item 1	.512**	<.001	0.199	Valid
	Item 2	.485**	<.001	0.199	Valid
	Item 3	.539**	<.001	0.199	Valid
	Item 4	.533**	<.001	0.199	Valid
	Item 5	.501**	<.001	0.199	Valid
	Item 6	.520**	<.001	0.199	Valid
	Item 7	.575**	<.001	0.199	Valid
	Item 8	.524**	<.001	0.199	Valid
	Item 9	.517**	<.001	0.199	Valid
	Item 10	.551**	<.001	0.199	Valid

Source: Data processed by researchers using SPSS 29, 2024

Based on Table 6 which presents the statement items regarding online customer reviews, the validity test results of variable (X1) indicate that the calculated value (r) is greater than the table value (0.199), which is valid for N=97. Therefore, all statement items regarding online customer reviews are considered valid.

Table 7. Validity Test Results Online Customer Rating (X2)

Variable	Indicator	Rcount	Sig	Rtable	Description
Online Customer Rating (X2)	Item 1	.589**	<.001	0.199	Valid
	Item 2	.627**	<.001	0.199	Valid
	Item 3	.605**	<.001	0.199	Valid
	Item 4	.658**	<.001	0.199	Valid
	Item 5	.573**	<.001	0.199	Valid
	Item 6	.611**	<.001	0.199	Valid
	Item 7	.537**	<.001	0.199	Valid
	Item 8	.663**	<.001	0.199	Valid
	Item 9	.659**	<.001	0.199	Valid
	Item 10	.547**	<.001	0.199	Valid

Source: Data processed by researchers using SPSS 29, 2024

Based on Table 7 which presents the statement items regarding online customer ratings, the validity test results of variable (X2) indicate that the calculated value (r) is greater than the table value (0.199), which is valid for N=97. Therefore, all statement items regarding online customer ratings are considered valid.

Table 8. Validity Test Results Purchase Decision (Y)

Variable	Indicator	Rcount	Sig	Rtable	Description
purchase decision (Y)	Item 1	.551**	<.001	0.199	Valid
	Item 2	.566**	<.001	0.199	Valid
	Item 3	.487**	<.001	0.199	Valid
	Item 4	.500**	<.001	0.199	Valid
	Item 5	.598**	<.001	0.199	Valid
	Item 6	.496**	<.001	0.199	Valid
	Item 7	.497**	<.001	0.199	Valid
	Item 8	.532**	<.001	0.199	Valid
	Item 9	.499**	<.001	0.199	Valid
	Item 10	.500**	<.001	0.199	Valid

Source: Data processed by researchers using SPSS 29, 2024

Based on Table 8 which presents the statement items regarding purchase decision, the validity test results of variable (Y) indicate that the calculated value (r) is greater than the table value (0.199), which is valid for N=97. Therefore, all statement items regarding purchase decision are considered valid.

Table 9. Reliability Test Results

Variable	Cronbach's Alpha	Critical Value	Description
Online Customer Review (X1)	.708	0,60	Reliable
Online Customer Rating (X2)	.804	0,60	Reliable
Purchase Decision (Y)	.699	0,60	Reliable

Source: Data processed by researchers using SPSS 29, 2024



Table 9 shows the results of the Reliability Test for variable X1, with a Cronbach's Alpha value of .708, variable X2, with a Cronbach's Alpha value of .804, and variable Y, with a Cronbach's Alpha value of .699. Cronbach's Alpha values approaching or exceeding .60 are generally considered as indicators of high reliability in measurement instruments.

**Table 10. Normality Test Results
One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		97
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.40651088
Most Extreme Differences	Absolute	.066
	Positive	.066
	Negative	-.063
Test Statistic		.066
Asymp. Sig. (2-tailed) ^c		.200 ^d
Monte Carlo Sig. (2-tailed) ^e	Sig.	.366
	99% Confidence Interval	Lower Bound .354
		Upper Bound .379

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Source: Data processed by researchers using SPSS 29, 2024

In the basic normality test, the decision-making criterion is if the p-value > .05, then the conclusion is that the data is normally distributed. In this study, the p-value is .200 > .05, thus the data for this study can be categorized as normal.

**Table 11. Multicollinearity Test Results
Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	15.481	2.893		5.352	<.001		
	X1	.348	.101	.353	3.449	<.001	.450	2.221
	X2	.303	.069	.447	4.372	<.001	.450	2.221

a. Dependent Variable: X3

Source: Data processed by researchers using SPSS 29, 2024



In the basic multicollinearity test, the decision-making criterion is if the VIF value < 10 and the Tolerance value > .10, it can be concluded that the data does not exhibit multicollinearity. In this study, the VIF value is 2.221 < 10 and the Tolerance value is .450 > .10, thus it can be concluded that there is no multicollinearity present.

Table 12. Heteroscedasticity Test Results
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.184	.773		1.533	.129
	X1	-.042	.027	-.237	-1.567	.120
	X2	.033	.018	.269	1.777	.079

a. Dependent Variable: ABSRES2

Source: Data processed by researchers using SPSS 29, 2024

Based on table 12, it can be observed that the p-value is > .05, resulting in the absence of heteroscedasticity.

Table 13. Autocorrelation Test Results
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.747 ^a	.558	.548	2.432	1.810

a. Predictors: (Constant), X2, X1

b. Dependent Variable: X3

Source: Data processed by researchers using SPSS 29, 2024

$$\begin{aligned}
 dU &< dw < 4 - dU \\
 &= 1,711 < 1.810 < 4 - dU \\
 &= 1,711 < 1,810 < 2,289
 \end{aligned}$$

From these results it can be seen that the data passes autocorrelation.

Table 14. Multiple Linear Regression Analysis
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	15.481	2.893		5.352	<.001		
	X1	.348	.101	.353	3.449	<.001	.450	2.221
	X2	.303	.069	.447	4.372	<.001	.450	2.221

a. Dependent Variable: X3

Source: Data processed by researchers using SPSS 29, 2024



From the table above, the equation formed is $Y = 15.481 + 0.348X_1 + 0.303X_2 + e$

Table 15. t test results
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	15.481	2.893		5.352	<.001		
	X1	.348	.101	.353	3.449	<.001	.450	2.221
	X2	.303	.069	.447	4.372	<.001	.450	2.221

a. Dependent Variable: X3

Source: Data processed by researchers using SPSS 29, 2024

In the basic T-test analysis, the decision criterion is if the p-value < .05 and the calculated T-value > T-table, a conclusion can be drawn that there is an influence between variables. In this study, for the online customer review variable, the p-value is < .001 < .05 and the calculated T-value is 3.449 < 1.985, thus it can be concluded that variable X1 has an influence on Y. For the online customer rating variable, the p-value is < .001 < .05 and the calculated T-value is 4.372 > T-table 1.985, thus it can be concluded that variable X2 has an influence on Y.

Table 16. f test results
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	701.149	2	350.575	59.274	<.001 ^b
	Residual	555.964	94	5.915		
	Total	1257.113	96			

a. Dependent Variable: X3

b. Predictors: (Constant), X2, X1

Source: Data processed by researchers using SPSS 29, 2024

From the results of the F-test, it is found that the data has a significance value of < .001 < .05, and the calculated F-value is 59.274 > F-table 3.09. Therefore, it can be concluded that there is an influence between variables X1 and X2 on variable Y.



Table 17. Coefficient Of Determination test results**Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.747 ^a	.558	.548	2.432

a. Predictors: (Constant), X2, X1

b. Dependent Variable: X3

Source: Data processed by researchers using SPSS 29, 2024

In the determination test results, it was found that the influence of X1 and X2 on Y is 0.558 or 55.8%. The remaining 44.2% is explained by other factors.

CONCLUSION

According to the research analysis on the impact of Online Customer Review and Online Customer Rating on purchasing decisions on the Shopee E-Commerce platform, conclusions can be drawn as follows:

1. Online Customer Review has a significant and positive impact on purchasing decisions for products on the Shopee e-commerce platform. This can be reinforced by the fact that the calculated t-value is 3.449, which is greater than the tabulated t-value of 1.985, with a significance level of $< .001 \leq .05$. Additionally, the regression coefficient shows a positive value of .348.
2. Online Customer Rating has a significant and positive impact on purchasing decisions for products on the Shopee e-commerce platform. This is reinforced by the fact that the calculated t-value is 4.372, which is greater than the tabulated t-value of 1.985, with a significance level of $< .001 < .05$. Additionally, the regression coefficient shows a positive value of .447.
3. Both Online Customer Review and Online Customer Rating have an influence on purchasing decisions on the Shopee e-commerce platform. This can be evidenced by the results of the ANOVA test, where the calculated F-value is 59.247, which is greater than the tabulated F-value of 3.09, with a significance level of $< .001, < .05$. Additionally, the coefficient of determination in this study shows that the variables Online Customer Review and Online Customer Rating are able to explain 55.8% of the purchasing decision variable.



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