

# Online Customer Review and Online Customer Rating on Purchase Intention in Online Shop

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## ABSTRACT

The purpose of this study was to determine the effect of online customer reviews and online customer ratings on purchase intention in online shops. This research used casual comparative method. The population in this study was 400 families in hamlet I of Dalu X scope of Tanjung Morawa, the sample taken were 80 by using random sampling technique. The data were analyzed by using multiple linier regression. The result of the research showed that the majority of respondents gave a positive response to the statement the author submitted related to online customer reviews, online customer ratings and purchase intention. It indicated that online customer reviews, online customer ratings and purchase interests owned by online shop Lazada were rated good by respondents. The Online customer review and online customer rating provided by Lazada online shop affected to the increasing the interest in purchasing products on Lazada.

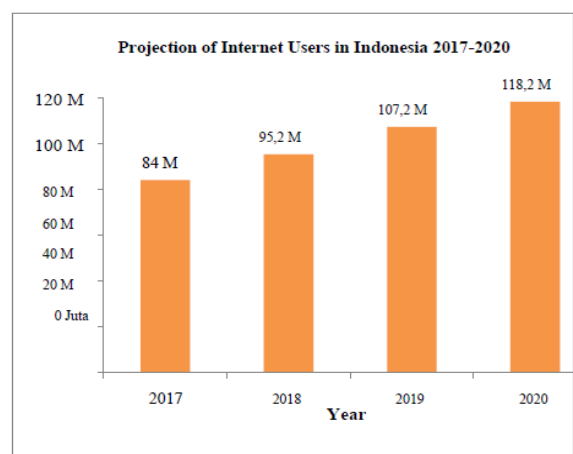
**Keywords:** online customer review, online customer rating, purchasing interest

## INTRODUCTION

In line with the development of increasingly sophisticated technology, buying and selling transactions follow the flow of technological developments that utilize the internet network. Various innovations of buying and selling activities using internet-based media online media become the choice that must be chosen by the company to market its products to the public. The development of such technology has made the shift in customer behavior from purchasing through offline shop to purchasing through online shop or through e-commerce, the main reason of this shift in

behavior from offline to online is based on the convenience offered by online shop. The main difference between online shop and offline shop is the ability of customers to assess a product so that it can give rise to the desire to buy products.

Indonesia's economy is still relatively weak, due to low levels of people's welfare, high cost of living, difficulty finding jobs, and many more. The jobs that are expected to improve welfare have not been able to accommodate the existing workforce as the large number of foreign workers coming to Indonesia making less employment opportunities for the local workforce. People always crave and strive to earn a decent income, to be able to support the family's life.



Source: Official Website of PT. Kompas Cyber Media on page "Pengguna Internet di Indonesia 2016-2018" <http://teknokompas.com> accessed on January, 2020.

Picture 1.1 Internet Users in Indonesia

Statistics data in 2019 shows internet users in Indonesia in 2018 as much as 95.2 million, growing 13.3% from 2017 of 84 million users. In 2019, the number of

internet users in Indonesia is projected to grow by 12.6% compared to 2018, to 107.2 million users. In the following year Internet users in Indonesia will increase with an average growth of 10.2% in the period 2018-2023.

Based on the results of a pre-survey interview on the use of the Lazada Application by the Dalu X A Tanjung Morawa Village Community, there are still many disappointments about the products they buy in Lazada's online shop because of their lack of thoroughness in choosing products before buying and not reading reviews and seeing the ratings that have been given by previous consumers who have purchased the product. But that does not make people who use Lazada to stop shopping at Lazada online shop.

According to Filieri in Ardianti and Widiartanto (2019:3), "Online Customer Review is a form of Word of Mouth Communication on online sales, where prospective buyers get information about products from consumers who have benefited from the product". Park and Lee in Auliya et al (2017:91), "states that this online customer review can contain positive and negative things about products or companies (sellers) and made by consumers via the Internet, as well as describing the characteristics (e.g. advantages and disadvantages) of a product".

The indicators are importantly needed that each perpetrator of an activity know the extent to which his activities have developed or changed. According to Zhao in Kamila et al (2019:204), "There are several indicators in online customer reviews used in this study are perceived usefulness and Valance."

The volume measures the total number of WOM interactions. To test the popularity of a product is often determined by the quantity of online reviews since it is considered as a thing that describes the performance of the product in the market. The number of reviews can represent numbers from consumers interested in previous purchases and with experience of

the product. The items used for the volume of review indicators are as follows:

1. The more the number of positive reviews the better the reputation of the product.
2. The number of reviews and discussions shows the popularity of the product.

According to Ichsan et al (2018:3), "Customer rating is the same thing with reviews but opinions given by consumers in the form of a specified scale, usually the rating applied by online stores is in the form of stars where more stars then show better value". The number of stars can be associated as the top quality of an item sold online. This is because ratings become one of the ways prospective buyers to get information about sellers, then the rating in online buying and selling becomes a logical thing if consumers consider that rating becomes a benchmark of quality. Consumer rating is a very crucial recommendation in the system in e-commerce that shows how the quality of products is recommended personally.

## **METHODS**

This research was conducted in Dalu X A, Tanjung Morawa, Deli Serdang. The Population in this study is 400 families of hamlet I Village Dalu X A Tanjung Morawa. The hamlet I has the most number of communities so it represents the percentage of leeway used is 10% and the calculation results can be rounded up to achieve conformity. So the sample of the study was 80 people from the hamlet I of Dalu X A scope of Tanjung Morawa and randomly taken to people who use Lazada application. Interviews, observations and questionnaires were used in this study to collect the data. Research

instruments tested by using validity and reliability test. Furthermore, Classic Assumption Test is conducted by: normality test, Multicollinearity test, and heteroscedasticity test. The data were analyzed by using multiple linear regression.

## RESULTS AND DISCUSSION

The result of the SPSS program validity test 25 by comparing the value of person correlation with the value of r table using a confidence level of 95%,  $\alpha$  5% and  $n = 80$ , obtained the result for r table of 0.220. The statement is said to be valid if  $r_{hit} > r_{tab}$ . For more details, validity test results can be seen in the following table:

### The Analysis Result of Statement Item of Variable X1 (Online Customer Review)

No.	Correlation Coefficient	r table	Description
1	0.808	0.220	Valid
2	0.733	0.220	Valid
3	0.607	0.220	Valid
4	0.734	0.220	Valid
5	0.730	0.220	Valid
6	0.768	0.220	Valid
7	0.498	0.220	Valid
8	0.512	0.220	Valid
9	0.685	0.220	Valid
10	0.738	0.220	Valid

Source: data processed by researcher

From the table above known that the correlation between each statement score with the total score is declared valid, because r-count is greater than r-table. Based on validity value known poll results can be used in the next calculation because all declared valid.

### The Analysis Result of Statement Item of Variable X2 (Online Customer Rating)

No	Correlation Coefficient	r table	Description
1	0.563	0.220	Valid
2	0.660	0.220	Valid
3	0.673	0.220	Valid
4	0.759	0.220	Valid
5	0.686	0.220	Valid
6	0.650	0.220	Valid
7	0.742	0.220	Valid
8	0.722	0.220	Valid
9	0.684	0.220	Valid
10	0.709	0.220	Valid

Source: SPSS 25 in appendix

From the table above known that the correlation between each statement score with the total score is declared valid, because r-count is greater than r-table. Based on validity value known poll results can be used in the next calculation because all declared valid.

### The Analysis Result of Statement Item of Variable Y (Purchase Interest)

No	Correlation	r table	Description
1	0.538	0.220	Valid
2	0.640	0.220	Valid
3	0.630	0.220	Valid
4	0.585	0.220	Valid
5	0.676	0.220	Valid
6	0.669	0.220	Valid
7	0.802	0.220	Valid
8	0.742	0.220	Valid
9	0.664	0.220	Valid
10	0.638	0.220	Valid

### Reliability Test

Table 3.1 The Result of Instrument Reliability Data Test

Research Instrument	r count	r table	Description
Online Customer Review	0.872	0.600	Reliable
Online Customer Rating	0.874	0.600	Reliable
Purchase Interest	0.852	0.600	Reliable

Source : Data processed by SPSS, 2020

From the table 4.37 above, it can be seen that the reliability test calculation results show Cronbach's Alpha number in each column of variable is greater than 0.600 (reliability limit) then it can be declared as reliable instrument.

Normality test can also be seen by using statistic test that is by One- Sample Kolmogrov Smirnov Test as in the following table:

Table 3.2 One Sample Kolmogrov Smirnov Test

		Unstandardized Residual
N		80
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	2.15239398
Most Extreme Differences	Absolute	.123
	Positive	.123
	Negative	-.070
Test Statistic		.123
Asymp. Sig. (2-tailed)		.005 <sup>c</sup>

Test distribution is Normal.

Calculated from data.

Lilliefors Significance Correction.

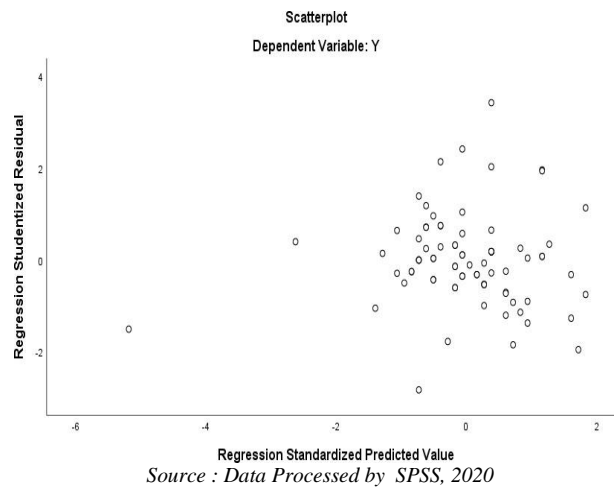
Source : Data Processed by SPSS, 2020

Based on the data above, the important value of 0.005 so that it can be concluded which data was in normal distribution.

### Scatterplot Heteroscedasticity Test Picture:

Based on the picture, it can be seen that the data spread randomly around the Y axis and does not form a specific pattern, so

that this regression model is free from symptoms of heteroscedasticity.



**Table 3.3 The Result of Multicollinearity Test Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.567	2.296		.682	.497		
X1	.461	.123	.450	3.759	.000	.193	5.186
X2	.460	.120	.460	3.840	.000	.193	5.186

a. Dependent Variable: Y

Source : Data Processed by SPSS, 2020

From the results of the multicollinearity test above, it can be seen that none of the independent variables have a VIF value of < 10 and each variable has a tolerance value of > 0.10. So, it is concluded

that the model has no multicollinearity problem.

The quantitative analysis was carried out through multiple linear regressions by the following results:

**Coefficients Table<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.567	2.296		.682	.497
X1	.461	.123	.450	3.759	.000
X2	.460	.120	.460	3.840	.000

a. Dependent Variable: Y

Source : Data processed by SPSS, 2020

Based on table 4.36 above, the multiplied regression equation in this study is:

$$Y = 1.567 + 0,461X_1 + 0,460X_2 + e$$

Table 4.36 shows that the calculation obtained constant value (a) 1,567 b1 of 0.461 and b2 of 0.460 that linear regression equation  $Y = 1.567 + 0.461X_1 + 0.460X_2 + e$  which online customer review and online customer rating have a significant influence

on variable purchase intention. It can be seen in the following information.

The constant (a) of 1.567 indicates without the variables of online customer review and online customer rating on the intention of purchasing lazada online shop towards the community of Hamlet I Village of Dalu X A Tanjung Morawa.

The online customer review (X1) of 0.461 and online customer rating (X2) of 0.460 indicates that the variables of online customer review and online customer rating

have a positive and significant effect on the purchase intention, it means that every increase in online customer review and online customer rating will have a positive effect on the increase in purchase intention.

**F test**

Based on the F test above, the value on df (n1) = k-1 (3-1) is 2 and df (n2) = n-k (80-3) is 77 at a significant rate of 5% (0.05) then the value of F table is 3.12. It appears that the calculated value F (142.106) >

(3.12) and a significant value of 0.000 < from 0.05, it means that simultaneously independent variables have a significant effect on dependent variables then Ho is rejected.

**Table 3.4 F Test ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1350.896	2	675.448	142.106	.000 <sup>b</sup>
Residual	365.991	77	4.753		
Total	1716.887	79			

Dependent Variable: Y  
 Predictors: (Constant), X2, X1  
 Source : Data processed by SPSS, 2020

**T Test**

**Table 3.5 t Test Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.567	2.296		.682	.497
	X1	.461	.123	.450	3.759	.000
	X2	.460	.120	.460	3.840	.000

Source : Data processes by SPSS, 2020

Based on the results of the above t test, the value of t table = at n-3 (80-3) is 77 at a significant level of 5% (0.05) is 1.991. Thus, to know partially can be compiled multiple regression equations as follows:

The value from the table above is a coefficient value of 0.461 t calculated value > t table (3.759 > 1,991) and significant by 0.000, it means Online Customer Review has a significant effect on the Purchase Intention then Ha received.

The value from the table above is a coefficient value of 0.461 t calculated value > t table (3.840 > 1.991) and significant by 0.000, it means Online Customer Rating has a significant effect on the Purchase Intention then Ha received

**The Result of R Square Test**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.887 <sup>a</sup>	.787	.781	2.180

a. Predictors: (Constant), X2, X1  
 Source : Data processed by SPSS, 2020

Based on the table above, it can be seen the value of the coefficient of determination that has been adjusted (R Square) of 0.787 means that 78% of dependent variables can be explained by

independent variables while the rest (100%-78%=22%) described by the other variables beyond the variables studied.

**DISCUSSION**

Based on the results of the questionnaire dissemination, it showed that the majority of respondents gave a positive response to the statement the author submitted related to online customer reviews, online customer ratings and purchase intention. It indicated that online customer reviews, online customer ratings and purchase intention owned by online shop Lazada were rated good by respondents. The Online customer review and online customer rating provided by Lazada online shop affected to the increasing the intention in purchasing products on Lazada.

Based on the calculation results using statistic testing shows that there is a positive relationship between online customer review and online customer rating to purchase intention. The increase from online customer reviews owned by Lazada online shop affected the increase in purchases as well. This is in line with previous research findings that prove that

online customer reviews affected purchasing intention.

## CONCLUSION

The result from the research can be concluded as follow:

1. From the results of the t test calculation, t calculated for Online Customer Review of  $3.759 > 1.991$  and a significant value of  $0.000 < 0.05$ , Online Customer Rating of  $3.840 > 1.991$  and a significant value of  $0.000 < 0.05$ . Thus, it can be concluded that Online Customer Review and Online Customer Rating affected the Purchase Intention. Then  $H_a$  accepted.
2. From the calculation of F test, the value obtained in  $df (n1) = k-1 (3-1)$  is 2 and  $df (n2) = n-k (80-3)$  is 77 at a significant tariff of 5% (0.05) then the value of F table is 3.12. It appears that the value of F count ( $142,106 > (3.12)$ ) and a significant value of  $0.000 < 0.05$  means that simultaneously independent variables have a significant effect on dependent variables then  $H_a$  is accepted.

Based on the calculation of Coefficient Determination obtained R Square value of 0.787 or 78% and the remaining 22% influenced by other variables outside this research. From this result it is concluded that the influence of Online Customer Review and Online Customer Rating on Purchase Intention on Lazada Online Shop is 78%.

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