

The Influence of Online Consumer Reviews, Prices, and Consumer Trust on Online Purchase Decisions for Skincare Products on Shopee

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ARTICLE INFO	ABSTRACT
Keywords: Online Consumer Review, Price, Consumer Trust, Purchasing Decisions.	<i>In the digital era, consumer purchasing decisions are increasingly influenced by various online factors, especially on e-commerce platforms such as Shopee. For skincare products, consumer reviews, price, and consumer trust levels are key factors that influence purchasing decisions. With more product choices and information available, it is important to understand how these factors influence consumer decisions. This study aims to examine the influence of online consumer reviews, price, and consumer trust on online purchasing decisions for skincare products on Shopee, given the importance of these factors in purchasing decisions in a competitive e-commerce market. This study aims to determine the effect of online consumer reviews, price, and consumer confidence on online purchasing decisions for skincare products at Shopee. The type of data used in this study is primary data obtained by distributing questionnaires. Respondents in this study were Shopee users who purchased skincare products in the period January - April 2024 with a sample size of 95 respondents. The data analysis technique used in this research is Multiple Linear Regression with the absolute value difference test method using SPSS 29.0. The results of this study prove that online consumer reviews, prices, and consumer confidence have a positive influence on online purchasing decisions for skincare products at Shopee. The results of this study imply that consumer reviews, price, and consumer trust are crucial factors that sellers of skincare products on Shopee must pay attention to in order to influence purchasing decisions. Sellers are advised to actively manage and respond to consumer reviews to build trust and improve their product reputation.</i>

INTRODUCTION

Indonesia's internet users have reached 212.9 million, with a penetration of 77% of the total population in 2023. In 2023, the number of internet users in Indonesia will increase by 5.2% from the previous year (Datareportal.com, 2023). Indonesia's large number of Internet users creates opportunities for e-commerce to expand its reach. E-commerce is a buying and selling transaction and marketing activity for goods or services through electronic systems, such as radio, television, computer networks, or the Internet (Wong, 2013). Indonesia is among the ten largest e-commerce growth countries, with a growth rate of 78%, making Indonesia the country with the highest growth rate in the world in 2019 (kominfo.go.id, 2023).

In Indonesia itself, there are various e-commerce platforms that consumers choose as a place to look for the products they need, including Shopee, Tokopedia, Bukalapak, Blibli, Lazada, and so on. According to a survey conducted by SameWeb in 2023, Shopee is the e-commerce platform with the highest number of site visits in the first quarter of 2023, with an average of 157.9 million monthly visits. In 2022, Shopee will also become an e-commerce company with the largest Gross Merchandise Value (GMV) in Southeast Asia, which has a value of US\$47.9 billion with a penetration of 48.14% of the total e-commerce GMV in Southeast Asia.

According to research conducted by the Indonesian Digital Marketing Association Team in January 2020, beauty products were in first place with total sales of 247.1 million in the ten best-selling Shopify product

categories. According to a survey conducted by compass.co.id in 2022, facial care ranks first. It dominates the beauty category with a market share figure of 42.9%.

The rise of e-commerce in Indonesia has created opportunities for sellers to sell their products on e-commerce platforms. According to the Central Statistics Agency, in 2021, there were 2,868,178 e-commerce business actors in Indonesia. The large number of business actors in e-commerce is what makes e-commerce create various features to make consumers confident and safe in buying on e-commerce platforms, one of which is creating an online consumer review feature. Online consumer reviews can contain positive or negative things about a product or seller made by consumers via the internet. They can describe the characteristics of a product. Online consumer reviews are one type of e-WOM, including positive or negative statements made by consumers about products sold in online stores. BrightLocal surveys show that 93% of consumers read online reviews to determine purchasing decisions. As many as 85% of consumers trust reviews as much as they trust personal recommendations from family or friends (Paget, 2023).

The factor that influences the next purchasing decision is price. According to the theory put forward by (Kotler and Armstrong, 2008), the higher the price, the lower the purchasing decision; conversely, if the price is low, the purchasing decision changes to become higher. However, higher product prices only sometimes lead to fewer purchasing decisions. This may happen due to consumers' trust in the products sold by Shopee Mall. Consumer trust is consumers' expectations of sellers for appropriate behavior in fulfilling their commitments to consumers (Gefen et al., 2003). Consumer trust will encourage consumers to make online transactions because consumers feel that the seller can be trusted (Putra et al., 2017). According to Kim et al. (2008), consumer trust plays a vital role in e-commerce transactions, so consumers will only shop online if they trust the seller.

Based on an online survey conducted by researchers on 20 people who had randomly purchased skincare on Shopee in June 2024, regarding the factors that influence purchasing decisions when buying skincare products on Shopee, 85% of respondents they answered that price greatly influenced their purchasing decisions. Do it, followed by online consumer reviews of as much as 70%, products sold at Shopee Mall (trust) at 65%, product quality as much as 20%, and product benefits as much as 15%. This shows that prices, reviews, and consumer trust in sellers show the highest percentage.

Based on the phenomena mentioned above, the purpose of this study is to determine and analyze the effect of online consumer reviews, price, and consumer confidence on online purchasing decisions for skincare products at Shopee. So that the benefit of this research is to provide deeper insight into how these factors influence purchasing decisions on e-commerce platforms. The findings from this study can help skincare product sellers develop more effective marketing strategies, such as better managing consumer reviews, determining competitive prices, and building consumer trust. In addition, this study can also serve as a reference for other researchers and practitioners in the e-commerce field to understand the dynamics of online purchasing decisions and improve consumers' shopping experience on digital platforms.

METHOD

The scope of this research is more focused on the effect of online consumer reviews, prices, and consumer trust on online purchase decisions for skincare products on shopee in 2024. The research design is causal because it aims to examine the causal relationship between the independent variables, online consumer reviews, price, consumer trust, and online purchasing decisions for skincare products on Shopee in 2024.

The type of data used in this research is quantitative data. In this study, quantitative data were obtained from questionnaires distributed and filled out by respondents. This study uses primary data sources. The primary data in this study are in the form of answers to the questionnaire questions given to respondents of Tokopedia application users. This study uses a questionnaire or questionnaire technique to collect data. This study's questionnaire used closed questions distributed online to the Shopee application users and prospective respondents. This data collection technique is used to determine the perception of the effect of online consumer reviews, price, and consumer trust on online purchasing decisions for skincare products on Shopee in 2024.

The population in this study is the Shopee application user. The sample size taken in this study is 95 samples. According to (Joseph et al., 2010), the number of samples in a study is at least 5 to 10 times the questions for all variables or has a ratio of 5: 1 to 10: 1. Therefore, a minimum of 95 samples (19 questions multiplied by 5) up to 190 samples (19 questions multiplied by 10) were obtained in this study. The sampling technique used by the author is non-probability sampling. At the same time, the non-probability sampling method used in this study

was purposive sampling. The sample criteria chosen were respondents who made purchases of skincare products using the Shopee Application in January – April 2024.

Based on the explanation above, the research model in this study is:

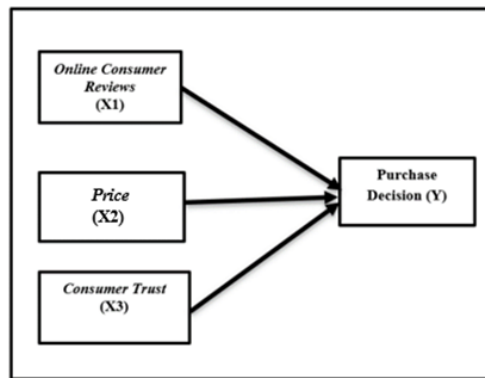


Figure 1. Framework of Thought

Research Hypothesis

H₁ = Online Consumer Reviews have a positive and significant effect on purchasing decisions

H₂ = price has a positive and significant effect on purchasing decisions

H₃ = Consumer trust has a positive and significant effect on purchasing decisions

RESULTS AND DISCUSSION

Validity Test

Table 1. Validity Test Result on 30 Respondents

Indicator	Product Moment Pearson's	α	Result
X _{1.1}	.762	0,05	Valid
X _{1.2}	.721	0,05	Valid
X _{1.3}	.578	0,05	Valid
X _{1.4}	.773	0,05	Valid
X _{1.5}	.795	0,05	Valid
X _{2.1}	.685	0,05	Valid
X _{2.2}	.631	0,05	Valid
X _{2.3}	.717	0,05	Valid
X _{2.4}	.708	0,05	Valid
X _{2.5}	.734	0,05	Valid
X _{3.1}	.687	0,05	Valid
X _{3.2}	.558	0,05	Valid
X _{3.3}	.849	0,05	Valid
X _{3.4}	.738	0,05	Valid
Y _{.1}	.729	0,05	Valid
Y _{.2}	.866	0,05	Valid
Y _{.3}	.844	0,05	Valid
Y _{.4}	.680	0,05	Valid
Y _{.5}	.661	0,05	Valid

Based on Table 1, it is known that each indicator (item) in each online consumer review, price, and consumer trust variable, which is an independent variable for purchasing decisions, which is the dependent variable, has a Pearson product-moment value with a significance value of <0.05 so that the indicators (items) used in this research variable can be declared appropriate or relevant and can be used as items in data collection.

Reliability Test

Table 2. Reliability Test Results on 30 Respondents

Variable	Cronbach's Alpha	Results
Online Consumer Review (X ₁)	.780	Reliable
Price (X ₂)	.725	Reliable

Variable	Cronbach's Alpha	Results
Consumer Trust (X ₃)	.667	Reliable
Purchase Decision (Y)	.834	Reliable

Based on the reliability test results in Table 2, the reliability test results of the independent variables Online Consumer Review (X₁), Price (X₂), and Consumer Trust (X₃) show that the data obtained is reliable because the Cronbach's alpha value is 0.780; 0.725 and 0.667, while the reliability test results of the dependent variable purchasing decision (Y) show that the data obtained is reliable because the Cronbach's alpha value is 0.734.

Normality Test

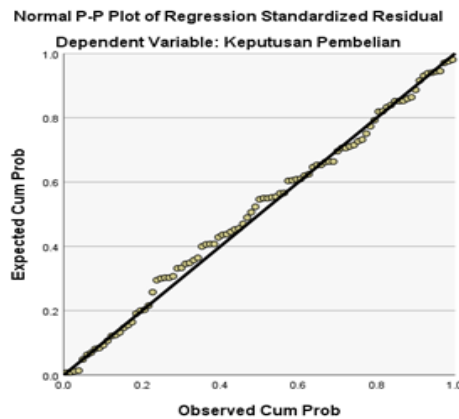


Figure 1. Normality Test

Normality tests can also be carried out using the Kolmogorov-Smirnov test. If Sig. > 0.05 In the Kolmogorov-Smirnov test, the regression model has a normally distributed residual. The normality test results can be seen in Table 3 below:

Table 3 Normality Test Result on 95 Respondent

Unstandardized Residual	
Asymp. Sig. (2-tailed)	.200 ^d

The normality test results in Table 3 show that the data is normally distributed. This is shown by the Kolmogorov-Smirnov test, which shows results with a significance level of 0.200, which is above 0.05.

Table 4 Multicollinearity Test Results

Test of Multikolinierity	Collinearity Tolerance	VIF
Online Consumer Review	.268	3.720
Price	.285	3.510
Consumer Trust	.204	4.895

Based on the normality test results in Table 4, the Tolerance calculation shows the numbers ≥ 0.1 and VIF ≤ 10 on all variables, which means that no multicollinearity occurs in any of the variables in the study.

Heteroscedasticity Test

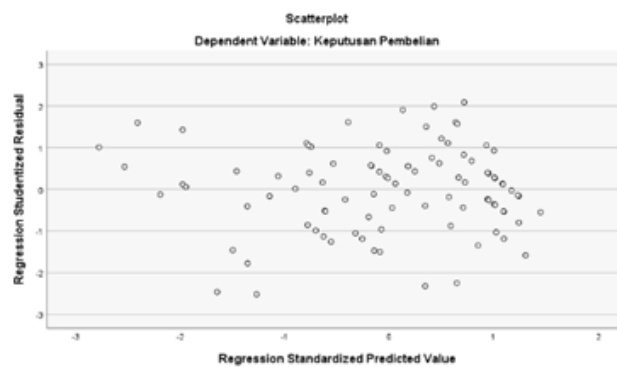


Figure 2. Heteroscedasticity Test

The figure above shows that there is no heteroscedasticity because the data distribution does not form a particular line or clear pattern, and the points are spread above and below zero on the Y-axis.

Correlation Coefficient (r) and Determination Coefficient (R²) Test

Table 5 Correlation Coefficient (r) and Determination Coefficient (R²) Test Results

R	R Square	Adjusted R Square	Std. Error of the Estimate
.882 ^a	.779	.771	1.589

Based on the determination coefficient test presented in Table 5, it is known that the Adjusted R Square is worth 0.771 or 77.1%. This shows that online consumer reviews, price, and consumer trust influence 88.5% of Shopee's online purchase decisions.

f Test

Table 6 FTest Result

	Model	F	Sig.
1	Regression Residual	106.773	<0.001 ^b

Based on the results in Table 6, a significance value of 0.001 is obtained. Because the significance value is $0.001 < 0.05$, the linear regression model obtained is suitable for use to explain online consumer reviews, prices, and consumer trust regarding purchasing decisions.

Partial Test (t-Test)

Table 7 Partial Test Result

	Model	Sig.
1	(Constant)	
	Online Consumer Review	.034
	Price	.010
	Consumer Trust	<.001

Based on Table 7, it is known that there is a significant effect between the online consumer review (X_1), price (X_2), and consumer trust (X_3) on purchase decision (Y), where the value of each coefficient Sig evidences this. < 0.05 .

The Influence of Online Consumer Reviews on Online Purchasing Decisions Skincare Products on Shopee

Online Consumer Reviews have a positive and significant influence on purchasing decisions. These results are in line with research results from (Choirunnida & Prabowo, 2024); (Von Helversen et al., 2018); (Kang et al., 2022); (Guo et al., 2020); (Wang et al., 2020) showing that online consumer reviews have a positive and significant effect on purchasing decisions.

This research shows that online consumer reviews are associated with several dimensions, such as usefulness of online reviews, reviewer expertise, timeliness of online reviews, volume of online reviews, and valance of online reviews. The timeliness of the online review indicator shows the lowest value. Some consumers said there needed to be a more detailed explanation of the positive feedback given. Apart from that, it is also necessary to evaluate the timeliness of online reviews, where positive responses that are less detailed provide less benefit to other consumers. Increasing the timeliness of online reviews is carried out so that consumers get precise details regarding good responses regarding product suitability, avoiding other consumers thinking that the response is a response from a buzzer paid for by the online shop on Shopee. Positive responses become more valuable as a reference for consumers who prefer others.

The Influence of Price on Online Purchasing Decisions Skincare products on Shopee

Price has a positive and significant effect on purchasing decisions. These results are in line with research from (Jandri et al., 2022); (Manyu et al., 2022); (Ernawati et al., 2021); (Ernawati et al., 2021); (de Fatima Carvalho et al., 2020); (Rafidinal & Amalia, 2019); (Novansa & Ali, 2017) show results that price has a positive and significant effect on purchasing decisions. Research results (Mahanani, 2018) show that price negatively and significantly affects purchasing decisions.

This research shows that price is related to several dimensions, such as affordability, price suitability to product/service quality, price competitiveness, and price suitability to benefits. The price competitiveness indicator shows the lowest value. Some consumers say that competitive prices are only available during certain events. It is also necessary to evaluate price competitiveness, where the prices given are sometimes less competitive compared to other e-commerce. Increasing price competitiveness can make other consumers more interested in buying products, not only at certain events.

The Influence of Consumer Trust on Online Purchasing Decisions Skincare Products on Shopee

Consumer Trust has a positive and significant effect on purchasing decisions. These results are in line with the research results of Hayuningtyas & Widiyanto (2015), Puspita & Setyowati (2023), Nasution et al. (2020), Jandri et al. (2022), and Handoyo (2024).

This research shows that consumer trust is associated with several dimensions, such as the development from past behavior and experiences, trustworthiness and dependability expected from partners, a willingness to bear risk, and feelings of security and confidence in partners. The feelings of security and confidence in partners indicator shows the lowest value. Some consumers say there must be more security and confidence when purchasing products. Apart from that, it is also necessary to evaluate the security and Shopee's confidence. This means that sometimes the products sent are damaged, or only the box is left when consumers receive the goods. Increased security and confidence are carried out so that consumers can receive goods in good and proper condition, avoiding damage to products so that consumers have security and confidence in Shopee.

CONCLUSION

The conclusions in this study reveal that online consumer reviews, price, and consumer trust positively and significantly influence purchasing decisions for skincare products on Shopee. Based on these results, several recommendations are put forward: First, improving the detail and timeliness of positive online reviews is crucial. Ensuring that reviews are informative and authentic can prevent consumers from suspecting them of being biased or paid responses, thus increasing their reliability and influence. Secondly, improving price competitiveness is critical to attracting a wider customer base, not just during promotional events but consistently. Lastly, fostering consumer trust through better security measures and ensuring that products are delivered in excellent condition will strengthen consumer trust and loyalty towards Shopee partners. Implementing these strategies will not only increase consumer satisfaction but also drive better purchasing decisions and overall market performance..

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