

The Impact of Online Customer Reviews Mediated by E-trust on Purchase Intention in Shopee Indonesia

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Abstract: Rapid technological developments have changed shopping behavior from offline shopping to online shopping. This is marked by the growth of e-commerce, especially in Indonesia. The rapid development of e-commerce has made it easier for consumers to shop online. The existence of e-commerce makes it easier for everyone to fulfill their needs because they can carry out transactions without limitations of place and time. When carrying out online shopping activities, consumers will face various risks that can cause losses. The lack of meeting between the seller and the buyer will influence the formation of the buyer's sense of trust in the seller which will also influence the intention to buy. One way to minimize this risk is to find information about the product before deciding to buy. The online customer review feature is considered important in helping minimize risk and can also influence purchasing intentions. E-Trust plays an important role in increasing purchasing intentions. E-trust will indirectly be formed by seeing positive reviews from customers who have previously made purchases. This research aims to analyze the influence of online customer reviews on purchase intentions using e-trust as a mediating variable. Understanding these dynamics is very important for businesses who want to improve their strategy on e-commerce platforms, which in this research is Shopee. By deepening several theories, such as Technology Acceptance Model (TAM), Theory of Reasoned Action (TRA), and Theory of Planned Behavior (TPB), to find out the factors that influence purchase intentions so that can produce an effective strategy. This research uses SPSS 26.0 software to analyze survey data, verifying the relationship between online customer reviews and purchase intention with e-trust as a mediating variable.

Keywords: Online Customer Reviews; E-trust; Purchase Intention; Technology Acceptance Model; Theory of Reason Action; Theory of Planned Behavior.

1. Introduction

Technological advances brought by the internet have changed consumer lifestyles, in particular, consumers have begun to change the way they purchase products, from buying directly in stores to buying online on the Internet, which shows that Internet users have begun to actively participate in e-commerce activities. However, many factors cause customers to be reluctant to carry out e-commerce activities, one of which is risk, and consumers always consider every risk when shopping online.

One feature that can help customers evaluate products is Online Customer Reviews. Online Customer Reviews are also related to customer trust. Online Customer Reviews are reviews of a product by other buyers and are considered to play a role in determining consumer trust when making online transactions. When carrying out online transactions, trust is established between parties who do not know each other. In an electronic context, this trust is termed e-trust. E-trust is a consumer's hope that the provider of goods or services can be trusted. It can be seen that trust is an important foundation in completing transactions.

Consumer purchasing intention is an important factor in the existence of a community market. Marketers need to adopt various strategies to increase consumer purchase intentions. Choosing the right strategy will help marketers increase sales. Consumer purchasing intentions arise because the quality of the products provided meets consumer needs, so consumers are willing to participate in the purchasing transaction process. When consumers feel the benefits of a product and have experience purchasing that product, they will recommend the product to other potential consumers. Considering the

importance of Online Customer Reviews in influencing purchase intentions, researchers conducted a study on this topic at Shopee Indonesia, one of the marketplaces in Indonesia.

1.1. Current Status of Shopee Indonesia

Shopee was initially launched as a customer-to-customer (C2C) market, but then switched to a hybrid model and is currently positioned as a business-to-customer (B2C) market. Shopee offers a variety of products such as fashion products, food, drinks, toys, medicines, and other daily necessities. Shopee was first launched in Singapore in 2015 and has now expanded its business coverage to Malaysia, Thailand, Vietnam, Taiwan, Philippines and Indonesia. As a newcomer to the Indonesian e-commerce industry, Shopee has succeeded in attracting the attention of most users. There are five largest e-commerce sites in Indonesia, namely Shopee, Tokopedia, Lazada, Blibli and Bukalapak. The competition between them is very strict. The following are the results of Top 5 E-Commerce in Indonesia with the most visitors throughout 2023.

Table 1. Competitive Ranking of E-commerce in Indonesia during 2023

| | Indonesia E-commerce | Amount visitors |
|---|----------------------|-----------------|
| 1 | Shopee | 2.35 billion |
| 2 | Tokopedia | 1.25 billion |
| 3 | Lazada | 762.4 million |
| 4 | Blibli | 337.4 million |
| 5 | Bukalapak | 168.2 million |

From Table 1, it can be seen that Shopee receives the most

site visits in Indonesia. During January-December 2023, Shopee cumulatively achieved around 2.35 billion visits, far surpassing its competitors. Shopee has done many things to prevent various risks and increase consumer confidence in online shopping. Shopee realizes the importance of a quality website to increase customer trust. Therefore, Shopee always strives to improve the quality of its website to increase customer trust and thereby increase their buying interest. As a form of innovation in increasing consumer trust in Shopee, Shopee has implemented various collaboration programs with local KOLs in Indonesia, such as launching campaigns with celebrities. Nowadays consumers prefer to listen to reviews and opinions from experts and celebrities, so they are confident that the products reviewed by KOL are proven to be good products. With so many KOLs and celebrities collaborating with Shopee, it will certainly increase the brand's visibility and popularity in the eyes of consumers.

2. Online Customer Reviews

Online Customer Reviews function as a form of electronic word-of-mouth promotion that provides information and recommendations about products from the consumer's perspective. Online Customer Reviews are one of the sources of information that consumers choose when they want to buy a product. Apart from easy access to information from the internet, the presence of Online Customer Reviews helps consumers consider the many options before finally deciding to buy. Online Customer Review is an activity that allows consumers to freely and easily write comments and opinions regarding products or services. Online Customer Reviews can have a big influence on a consumer's purchase intention (Elwalda et al., 2016). Information created by consumers usually describes product attributes that are relevant to conditions of use and measures product performance from the consumer's perspective (Bickart and Schindler, 2001).

Table 2. Online Customer Review Indicator

| Online Customer Review Indicator | Definition |
|----------------------------------|---|
| Volume of Reviews | The number of reviews can represent the number of consumers who are interested in previous purchases and experiences with the product (Chatterjee P., 2001). |
| Argument Quality | Argument quality refers to the persuasive power of the argument attached to the information message (Cheung, Lee, and Rabjohn., 2008) |
| Source Credibility | Source credibility source is the perception of the recipient of information regarding the source's expertise and trust in the information (Luo, et al., 2015) |
| Perceived Usefulness | Consumers get perceived benefits from online customer reviews on an online shopping site (Elwanda and Lu., 2014) |

2.1. The Relationship between Online Customer Review and Purchase Intentions

The quality of information contained in reviews made by previous consumers can influence a potential consumer's

assessment of a product. Reviews can be positive and negative. According to Lee and Shin (2014), consumers can use the number of reviews to measure the popularity or value of a product which will increase their intention to buy a product. The more positive reviews a product has, the more customers' purchase intentions towards that product will increase.

Prospective consumers who have difficulty estimating the quality of the goods they are going to buy can use online customer reviews as a medium of information for making decisions. Before buying goods, potential consumers should find out an explanation about the product, before finally deciding to buy. This is caused by potential consumers not yet knowing the product (Auliya et al, 2017).

This research is strengthened by several previous studies, namely, Nur Afifah and Yulida (2017), Ayu Kusuma Dewi and Yessy Artanti (2020), Desak Made Febri Purnama Sari and Mitafitrotin (2020), Yofina Mulyati and Grace Gesitera (2020), Fauzan Maulana and Raeni Dwi Santy (2021), shows that online customer reviews have a positive and significant influence on purchase intentions.

3. E-trust

Online shopping on marketplace sites does not allow direct contact between prospective buyers and sellers. Consumers will only choose and consider purchasing products through the images and information listed on the website page. So this is where the purchase will completely depend on the perception and trust of the prospective buyer in the site manager and the seller. Because one of the main foundations of online shopping is the level of consumer trust.

E-Trust is consumer confidence based on the principles of ethics, loyalty and honesty of online agents. This is because E-Trust occurs in an environment where there is no direct physical contact (Setyowati, D., & Suryoko, S., 2020). To invite customers to visit and make transactions on the website, marketers must be able to build relationships of mutual trust with potential buyers (Mulyati and Gesitera, 2020).

According to Ling et al (2010), there are three factors for e-trust indicators, these three factors can be explained as follows:

Table 3. E-trust indicators

| E-trust indicators | Definition |
|--------------------|--|
| Secured | The extent to which customers believe that online buying and selling is safe for them to send vulnerable information when transacting. |
| Privacy | Protecting all consumers in transactions is then related to the performance of the store itself. |
| Reliability | Has good ability to increase trust. |

3.1. The Relationship between E-Trust and Purchase Intentions

The definition of e-trust according to Pi et al (2012) is the psychological state of internet users when facing risks in using online media, based on positive expectations from the intentions and behavior of the online service provider itself. Grabner et al in Berlianto (2017) stated that trust is an important factor in business interactions with customers and is an important aspect of electronic commerce.

When trust grows higher, it can certainly be used as a measure to increase a customer's purchasing intention to want to start online transactions. Positive trust certainly influences customers' intentions to shop online because they trust sellers who can carry out their business activities well and can be trusted by sending the products they buy to consumers.

This research is strengthened by several previous studies, namely, Gaby Olivia Djaswadi (2017), Maria Regina Picaully (2018), Juliana et al (2020), Prastha Azhari Mahadhika and Dinda Amanda Zuliestiana (2021), Karina Zsa Zsa Fadia (2021), showing that Trust has a positive and significant influence on purchase intention.

4. Purchase Intention

Intention is a behavior that occurs as a response to an object that shows the customer's desire to buy (Kotler, et al., 2016). Purchase intention is also related to consumers' plans to buy a particular product and how many units of the product are needed in a certain period (Julianti, et al., 2014).

Schiffman and Kanuk (2009) explain the purchase intention indicators as follows:

Table 4. Purchase Intention Indicator

| Purchase Intention Indicator | Definition |
|---|--|
| Interested in finding product information | Consumers whose needs are aroused will be encouraged to seek more information. |
| Consider purchasing | Evaluate the options and start considering purchasing the product. |
| Interested to try | Evaluate a product very consciously and rationally so that interest arises in trying it. |

5. Summary and Prospect

Technological advances brought by the Internet have changed consumer lifestyles, especially consumers are starting to change the way they buy products, from buying directly in stores to buying online on the Internet, this shows that Internet users in Indonesia have started to actively participate in e-commerce activities. The reason why product purchasing behavior shifts from offline shopping to online shopping is because the online shopping system provides great convenience. However, many factors cause customers to be reluctant to carry out e-commerce activities, one of which is risk, and consumers always consider every risk when shopping online.

What can be done to reduce the risks that occur when shopping online? Shopee deserves appreciation because it can attract the attention of the Indonesian people to participate in transactions at Shopee. The Online Customer Reviews feature on the Shopee application helps consumers in minimizing

risks. Online Customer Reviews are also related to customer trust and are considered to play an important role in determining consumer trust when making online transactions. Based on this paper, the author hopes that more and more customers will be aware of the importance of online customer reviews. Hopefully, in the future more people will be aware of the importance of providing reviews to help other customers. Therefore, future research is needed in conjunction with purchase intention influencing factors and a more in-depth analysis and summary.

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