Effect Price and Online Customer Reviews in Shopee Consumer Purchase Decisions at Kediri City

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ABSTRACT

This research aims to determine the influence of price and online customer reviews on the purchasing decisions of Shopee consumers in Kediri City. This type of research employs a quantitative approach using survey methodology. This research used a sample of 96 respondents. The sampling technique uses a non-probability sampling technique using purposive sampling with sample selection criteria. Consumers aged 17 years to > 35 years have made purchases at Shopee. The test equipment for this research is instrument testing, classical assumption testing, and multiple linear regression analysis. The results of this research are known as sig values. for the (partial) influence of X1 on Y is 0.000 < 0.05. I have known sig value. for the (partial) influence of X2 on Y is 0.004 < 0.05. Known sig value. for the (simultaneous) influence of X1 and X2 on Y is 0.000 < 0.05. This research shows that price has a positive and significant effect on consumer purchasing decisions in the Shopee marketplace. The study's findings indicate that online users' behavior has a positive and significant impact on consumers' purchasing decisions on Shopee. Thus, the research results show that price and online customer reviews have an effect positive and significant on consumer purchasing decisions on the Shopee marketplace.

Keywords: *Price, Online Customer Reviews, Purchasing Decisions.*

1. INTRODUCTION

Technological developments in the current era of have now changed the behavior of consumers, who previously chose to shop directly on the spot and now prefer to shop online. Shopping online means shopping through media or intermediaries in the form of online trading pages, sites, or social networks that offer traded goods and services. By purchasing online, it makes facilitating consumers' acquisition of desired goods without sacrificing a lot of time and energy. The marketplace has a broad and unlimited market where transactions can be carried out though both parties do not interact in person, confidence could have developed up till an agreement takes place, and the buyer could evaluate trader reliability by reading previous purchasers' feedback,(Wicaksono et al., 2023). One example of this marketplace is Shopee. Shopee offers many necessities products of various types, ranging from electronics, accessories, fashion, home equipment, beauty products, and mobile phones, as well as other product choices. Consumer behavior when making online purchasing decisions, of course, is influenced by various factors that make consumers move from offline to online shopping, one of which is the price and online customer reviews provided by the seller. Of course, consumers consider these factors before deciding whether to buy an item. Consumers can find out about the product they want to buy through photos, videos, and positive descriptions, which tend to encourage them without hesitation in making purchasing decisions. Decisions on purchases is a consumer's process of purchasing goods or services from a certain brand according to what they want.

Consumers can easily enjoy online shopping at Shopee via their smartphones anytime and anywhere. Thus, price should be one aspect that must be considered. Price is total money required by consumers need to make a payment to get an item that is bought and sold on the Shopee marketplace. According to (Antika et al., 2023), price is the availability that consumers pay with purchasing power, according to quality, and compared with similar products. If the price is acceptable, the consumer decides to buy. Consumer reviews are one of several aspects that influence the desire to buy the product. Online customer reviews are opinions, assessments, or feedback given by customers regarding a product or service they have purchased and used that is uploaded on the internet. These opinions generally take the form of written reviews, star ratings, or a combination of both. Kediri City is one of the cities in East Java where the online shopping trend is very popular. Most Shopee users in Kediri City range from teenagers to adults. Because many consumers choose to make purchases online nowadays, Shopee has become a popular online shopping choice because it is considered easy for consumers to use.

Researchers chose to research the marketplace Shopee because, in the current digital era, many consumers choose to make purchases online. After all, it saves time, which makes them happy when making purchases. Based on the explanation that has been given, the researcher will raise the title this research is about "The Influence of Prices and Online Customer Reviews on Shopee Consumer Purchasing Decisions in Kediri City."

2. LITERATURE REVIEW

2.1. Price

According to (Yap et al., 2022), price is the amount of money that must be paid to obtain an item. According to (Mita et al., 2021), prices are measured using the following indicators: Affordability, Price according to product quality, Price competitive, and Price according to benefits.

2.2. Online Customer Reviews

According to (Suryawan et al., 2022), online customer reviews can be interpreted as a feature found in marketplace applications to explain the advantages and disadvantages of products which can later influence other customers' decisions to buy products or services. According to (Nur & Dahliana, 2023) there are several indicators of online consumer reviews, namely Credibility of the source, Quality of the argument, Framing Recommendations, Volume of Reviews, and Perceived Usefulness.

2.3. Buying Decision

According to (Lidiawan & Laely, 2022), purchasing decisions are a step for customers to make a final decision, namely buying or not buying. According to (Nur & Dahliana, 2023) purchasing decision indicators include Steadiness in a product, Buying habits, Recommend to others, and Make a repeat purchase.

H1: Price has a significance effect in Kediri City Shopee consumers' buying decision.
H2: Online reviews of customers have significant effects in Kediri City Shopee consumers' purchasing decisions. H3: Price and Online customer reviews own a significance influence in Kediri City Shopee consumers' purchasing
decisions.

3. RESEARCH METHOD

This study is quantitative and uses survey methods. The location of this research is Kediri City with consumers aged 17 years to > 35 years. This research's population is Kediri City consumers who have purchased goods at marketplace Shopee, the exact number of which is not known. In this research, the sample size was 96 respondents using the lemeshow wording,(Risno, 2023). In this research, samples were used a non-probability sampling methods using purposive sampling. This primary data source was acquired directly from research respondents, namely Shopee consumers in Kediri City, through a questionnaire-based questionnaire online using Google Forms and distributed via social media WhatsApp. Questionnaire statements or questions with a Likert scale of 1 to 5. Secondary data from previous research journals related to the topic being researched, books, and sources from the internet. When respondents were asked to score with they Strongly Agree(5), agree(4), Neutral(3), Disagree(2), or Strongly Disagree (1),(Sugiyono, 2016). In this research, researchers carried out validity tests and reliability to guarantee the accuracy and consistency of the questionnaire dispersed. To perform the validity test, compare the count r-value with the r table, if r count > r table, with a significant level of 0.05. Test Cronbach's Alpha reliability with a value of 0.60. Researchers used SPSS version 24 software to analyze research data.

The multiple linear regression analysis is used in this research method. Classical assumption testing which includes:1. Normality Test, a statistical test using the Kolgomorov-Smirnov approach produces a significant value of 0.05. 2. Multicollinearity test by checking the VIF, or Variance Inflation Factor tolerance. The tolerated limit is 0.10 and the limit for VIF is 10. If the tolerance value is < 0.10 and the VIF value is > 10, subsequently, multicollinearity occurs. If the reverse is true, multicollinearity doesn`t occur. 3. Heteroscedasticity test analysis through the Glejser test states, not that exist symptoms of heteroscedasticity at the regression model, in case if the sig value is > 0.05. Heteroscedasticity occurs in the regression model if the sig value <0.05. 4. Linearity Test through the decision-making rule which states that if the count f value > table f, that a linear relationship exists. 5. Autocorrelation Test uses a run test to check for autocorrelation symptoms. An analysis of multiple linear regression was carried out used the formula $Y= a+b1x1+b2x2+e$ to determine effect from the independent variable in dependent variable. Hypothesis test, partial test-t, and test-f simultaneously, and the r^2 determination test is after carried out. conclusion rules for t-test (partial) is a significance value ≤ 0.05, meaning the research hypothesis is accepted, while a significance value ≥ 0.05 means the research hypothesis is turned down. The f-test determines that if the f-test significance number is < 0.05, So the research's hypothesis gets approved, while if the f-test significant number is > 0.05, then the research hypothesis has been declined. The r^2 determination test is carried out to examine or else dependent variable are influenced by the independent variables.

4. RESULTS AND DISCUSSION

4.1. Validity Test

From the test result using 96 respondents with a significance level of 0.05, which obtainable an r table value of 0.203, Therefore, it could be stated that all questions were used to measure the three variables Price (X1), Online Customer Review (X2), and Buying Decisions (Y) produce a calculated r value > 0.203, which manner that all questions are considered VALID.

4.2. Reliability Test

From the data explained It is determined that all questions used to measure the three variables Price (X1), Online Customer Review (X2), and Buying Decisions (Y) show a Cronbach's Alpha value > 0.60. Therefore, it might be considered that question items in this research is RELIABLE.

4.3. Classic Assumption Test

1. *Normality test*

The test results using Kolmogrov-Smirnov can be said the normality test for this research as big as 0.200, greater than 0.05. This proves that the data from all variables has a normal distribution.

2. *Multicollinearity Test*

From the results of the multicollinearity test, it can be observed that the tolerance value for prices and online customer reviews is 0.715 > 0.10, and the VIF value is 1.399 < 10. Therefore, it could have claimed no multicollinearity is a present problem in the said model.

3. *Heteroscedasticity Test*

the test results all variables have a probability value using the Glejser test > 0.05, the price variable has a result of 0.053 > 0.05, likewise, the online customer reviews variable has a result of 0.211 > 0.05. it demonstrates that isn`t heteroscedasticity in the regression model.

4. *Linearity Test*

The result of the linearity test findings indicate that the sig. Deviation from Linearity is 0.082 > 0.05, So it could be stated a linear relationship exists between price and purchasing decisions. The results of the linearity test findings indicate that the sig. Deviation from Linearity is 0.665 > 0.05, so can be concluded this is a linear relationship midst online customer reviews and buying decision.

5. *Autocorrelation Test*

That could be because there are no autocorrelation signs based on the run test of the autocorrelation results, in which the asymptotic sig a 2-tailed is 0.218 > 0.05.

6. *Multiple Linear Regression Analysis*

$$Y=2.366+0.541X_1+0.229X_2+e......\qquad(1)$$

Equation 1 is the equation used in this study. Constant 2.366 shows that variables X_1 and X_2 will increase variable Y by 2.366. The price coefficient value of 0.541 states that if the price (x_1) decreases by 1% then the purchase decision (Y) will increase by 0.541% and conversely, The choice to buy will decline by 0.541% if the price declines by 1%. Here the coefficient X1 has a significant and positive impact on decisions to purchase. Last, the coefficient value of 0.229 for online customer reviews indicate that a 1% increase in online consumer reviews (X2) would result in a 0.299% increase in purchase decisions (Y) and conversely, if online customer reviews decline by 1% so purchase decision would reduce by 0.299% Here the coefficient X1 has a positive and significant impact in decision to buying.

4.4. Hypothesis testing

1. *T Test (Partial)*

As stated in test partial, significant mark of the price variable is known to be the sig value. amounting to $0.000 < 0.05$ and the count t-mark of 6.153 is > t-table 1.99. Thus, it could have been stated it H1 be accepted and there is a bearing of price in purchasing decisions.

Based on a partial test of the Online Customer Reviews variable known sig value. amounting to $0.004 < 0.05$ and the count t value of 2.976 > t table 1.99. Also, can stated it H2 be accepted and there are effects from Online Customer Reviews in Buying Decision.

2. F Test (Simultaneous)

The results of the Simultaneous test, namely, the test results show that the sig value is known. For the (concurrent) impact of X1 and X2 against Y is $0.000 < 0.05$ and the f count value is 46.339 > f table 3.094 hence it can be said that H3 is approved, indicating an influence of price and online customer reviews in buying decision.

3. Determinant Coefficient (R2)

Be based test results, show that the coefficient of determination (R^2) is 0.499. it means that 49.9% of the dependent variable in the form of buying decision on Shopee marketplace could influenced by price variables and online customer reviews, Whereas the rest of 50.1% is impacted by a different variable, not included in the research.

5. DISCUSSION

Price have a positive and significance influential in shop consumer purchase decisions at Kediri City. This is shows by the results of the T-test, lest significant value for the price variable is $0.000 < 0.05$ and the count t value is 6.153 greater than t table 1.99. So it can be concluded that H1 is accepted and there is an influence of price on purchasing decisions. strengthens research results from (Mita et al., 2021), State that price partially has a significant influential in buying decision.

Online customer reviews has a positive and significance influential on consumer purchase decision in the Shopee marketplace. The T-test results demonstrate that, as they show the significant value is $0.004 < 0.05$ and the count t mark is 2.976 greater than the t-table 1.99. So it can be concluded that H2 is accepted and there is an influence of online customer reviews on Buying Decision. These finding are analogous with research conducted by (Rahayu et al., 2022), showing that the online consumer reviews variable partially have a significant positive influential in buying decision.

Prices and online customer reviews has a positive and significant influence on the consumer purchasing decisions of Shopee in Kediri City. The results of the F-test show that the f count is 46.339 > f table 3.09 and the significant value is $0.000 < 0.05$ so it can be concluded it price and online customer reviews had a significant influence on purchasing decisions. These results support previous research from research (Jannah et al., 2022), which stated that prices, product quality, and online customer reviews simultaneously influence buying decision on Shopee.

6. CONCLUSION

Test results show that price positive and significant affects consumer buying decision in Shopee at Kediri City. Test results show that consumer purchase decisions on Shopee at Kediri City are positively and significantly influenced by online customer reviews. Test results show that price and online customer reviews positively and significance affected consumer purchase decision on Shopee at Kediri City.

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