

ANALYSIS OF ONLINE PURCHASE INTENTION FROM THE PERSPECTIVE OF ONLINE CUSTOMER REVIEWS, ONLINE ADVERTISING, AND WEBSITE QUALITY

Muhamad Al Faruq Abdullah^{1*}, Yanthy Herawaty Pangaribuan², Fathihani³, Wenny Desty Febrian⁴

¹⁾ Beijing Institute of Technology, China

^{2,3,4)} Universitas Dian Nusantara, Indonesia

E-mail: alfaruq1602@gmail.com^{1*}, yanthy.herawaty.purnama@undira.ac.id², fathihani@undira.ac.id³, wenny.desty.febrian@undira.ac.id⁴



Received : 24/05/2022
Revised : 09/06/2022
Published : 03/08/2022

Abstract: This study was conducted with the aim of knowing the effect of the variable relationship that affects purchase intention on e-commerce sites which is currently increasing. This research was conducted on one of the e-commerce sites, namely Elevenia. The data used is primary data using a questionnaire distributed to 120 respondents in DKI Jakarta and already know the Elevenia site. The data were analyzed using the Structural Positive and Equation Model (SEM) Partial Least Square (smartPLS 3.0) application to examine all the relationships between online consumer reviews, online advertising, and website quality variables on purchase intention in the model. The results of this study indicate that online consumer reviews and website quality have a positive and significant relationship with purchase intention. However, online advertising has a positive and insignificant relationship with purchase intention.

Keywords: Online consumer review, Online Advertising, Website Quality, Purchase Intention

Abstrak: Penelitian ini dilakukan dengan tujuan untuk mengetahui pengaruh hubungan variabel yang mempengaruhi niat beli pada situs e-commerce yang saat ini semakin meningkat. Penelitian ini dilakukan pada salah satu situs e-commerce yaitu Elevenia. Data yang digunakan adalah data primer dengan menggunakan kuesioner yang disebarakan kepada 120 responden di DKI Jakarta dan sudah mengetahui situs Elevenia. Data dianalisis menggunakan aplikasi Structural Positive and Equation Model (SEM) Partial Least Square (smartPLS 3.0) untuk menguji semua hubungan antara review konsumen online, iklan online, dan variabel kualitas situs web terhadap niat beli dalam model. Hasil penelitian ini menunjukkan bahwa review konsumen online dan kualitas website memiliki hubungan positif dan signifikan dengan niat beli. Namun, iklan online memiliki hubungan positif dan tidak signifikan dengan niat beli.

Kata kunci: Ulasan konsumen online, Iklan Online, Kualitas Situs Web, Niat Beli

INTRODUCTION

The advancement of the internet today has a significant impact on all aspects of life. Every year, the number of internet users in Indonesia increases significantly. Where users range in age from children to teenagers to adults. According to APJII (Association of

Indonesian Internet Service Providers) data from a survey of Penetration and Behavior of Indonesian Internet Users in 2020, the number of internet users in Indonesia has increased from the previous year.

Indonesia's population is expected to reach 262 million by 2020, with 143.26 million internet users. Indonesian internet penetration increased by 20.44 percent from 2016 to 72.14 percent in 2017.

The introduction of the Digital Era into Indonesia at this time has altered people's purchasing habits. Initially, Indonesians made purchases in traditional stores (offline shops), but are now shifting to E-commerce (Online Shops). According to the results of the 2020 APJII survey, the use of the internet in the economic field, particularly for online purchases, received a percentage of 32.19 percent. This value will rise further, as Indonesia is predicted to be an Asian country with a high potential for e-commerce growth.

The internet is the most cost-effective medium for use as a foundation for information systems. As a result, the internet becomes a popular electronic medium for conducting business, which is referred to as electronic commerce or E-commerce. E-commerce is a modern business activity based on information technology that utilizes the features and conveniences of an online store website. Online transactions can be completed without the need for a face-to-face meeting (Shahnaz & Wahyono, 2016).

Elevenia is currently one of Indonesia's most well-known online marketplace sites. However, when compared to other E-commerce websites such as Lazada, Tokopedia, or Bukalapak, Elevenia's popularity remains lower. This is due to the fact that there are still numerous reviews from Elevenia customers who are dissatisfied with the services provided by Elevenia. Whereas consumer reviews are important in shaping a company's brand image. A high number of online consumer reviews indicates a product's quality and fame, which increases consumer purchasing interest (Obiedat, 2013). Elevenia received a rating or value of 3.4 out of 5 on the trustedcompany.com website. This demonstrates that the Elevenia website is well known by the public but has not yet become a popular site for online shopping. A good website quality is important in increasing buying interest on online shopping sites, in addition to online consumer reviews and online advertising. The quality of a website is very important in developing purchase interest. A high-quality website will increase consumer purchasing interest (Ali, 2016). Because the buying and selling process is done online via the internet, the website serves as a medium of interaction between sellers and buyers in E-commerce.

That is, the displayed website must be able to accurately describe the products being sold and provide clear information to buyers. Elevenia currently has an appealing website appearance, but according to reviews on the TrustedCompany.com website, many consumers complain that the Elevenia.co.id website's quality has not been able to display product information accurately. The researcher is interested in conducting a study on "Purchase Interest in Online Sites in the Perspective of Online Consumer Reviews, Online Advertising, and Website Quality" based on existing data and facts.

LITERATURE REVIEW

Online Customer Reviews

Online consumer review is a form of electronic word of mouth (eWOM). Khammash (2008) explains that "online consumer reviews can be understood as a medium for consumers to see reviews from other consumers on a product, company service and about how a producer company".

According to (Mudambi and Schuff, 2010), online reviews from customers are defined as the results of product evaluations that are downloaded on the company's website or third-party sites. Meanwhile, according to (Auliya, Umam, and Prastiwi, 2017) online consumer reviews (OCR) are reviews related to products made by consumers who have purchased or used and have experience with a product or service. Customer reviews are a form of feedback from customers on electronic sites or online shopping sites.

Online consumer review is a form of electronic word of mouth. Where electronic Word of Mouth (E-WOM) is defined as a statement both positive and criteria made by people who will buy products, people who have bought products, or anyone who wants to comment related to a product.

Online Ads

Advertising is a type of marketing communication, which is a general term that refers to all forms of communication techniques used by marketers to reach their consumers and convey their messages (Moriarty, Mitchell, and William, 2017). According to Kotler and Armstrong (2012) advertising is any form of non-personal presentation and promotion of ideas, goods or services by a particular sponsor that requires payment. Online advertising is a form of promotion that uses the internet to convey marketing messages to attract customers. The types of internet advertisements studied in this study include contextual advertisements on search engine results pages, banner advertisements, blogs, media advertisements, social network advertisements, interstitial advertisements, pop-ups, and some advertisements that can be classified as online advertisements (Aqsa, 2017).

Website Quality

The definition of a website according to Arief (2011) is an application that contains multimedia documents (text, images, animations, videos) in it that uses the HTTP (Hypertext Transfer Protocol) protocol and to access it using software called a browser. The definition of quality in the ISO 8402 standard is the overall features and characteristics of a software product that support the ability to satisfy desired requirements. According to Tjiptono (2014), defines quality as suitability for use (fitness to use). Another definition that emphasizes meeting customer expectations orientation. According to (Habibi, Hagh, and Bahabadi, 2014), website quality is a measure of website excellence, based on user evaluations of features in meeting consumer needs.

The conceptual framework is in Figure 1.

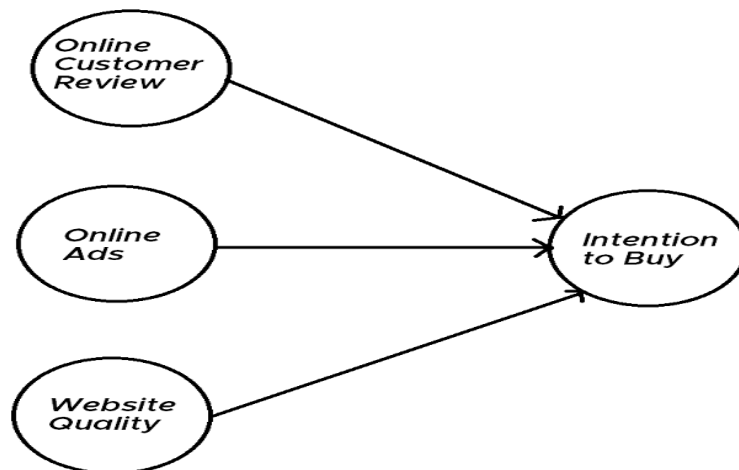


Figure 1. Conceptual framework

Hypothesis:

H1: *Customer Reviews* has a positive and significant effect on *Purchase Intention*.

H2: *Online Ads* has a positive and significant effect on *Purchase Intention*.

H3: *Website Quality* has a positive and significant effect on *Purchase Intention*.

RESEARCH METHODS

Population and Sampling

The type of research used by the researcher is explanatory research, namely research that intends to explain the position of the variables studied and the relationship between one variable and another and test the formulated hypothesis (Ellabban, 2014). Due to the large population, the number of samples is at least 100 respondents (Hair, 2010). Samples were taken by incidental sampling technique.

Instrument

The data collection instrument used in this study was a questionnaire. The measurement scale uses a Likert scale by giving a score to the respondents' answers from numbers 1 to 5.

Data analysis

Data processing is used by Partial Last Square with the Smart PLS-3 software application program. The reason for using this analysis tool is due to the suitability of the software with data processing needs. Submissions were made to instruments related to the Structural Equation Model (SEM) to see the suitability of the model used. Hypothesis submission was carried out using the mentioned PLS-3 program.

RESULTS AND DISCUSSION

Results

Smart-PLS Version 3.0 and a two-step analysis approach as suggested by Gerbing and Anderson (1998) were adopted to analyze the data. Following suggestions from several

studies (Chin, 1998; Gil-Garcia, 2008) bootstrap method (500 resamples) was also carried out to determine the level of significance for load, weight and path coefficients. Figure 2 illustrates the research model.

Measurement Model

Convergent validity

Convergent validity, which is the degree to which multiple items used to measure the same concept are agreed upon, are tested. According to Hair et al. (2010), factor loading, composite reliability and extracted mean variance are indicators used to assess convergent validity.

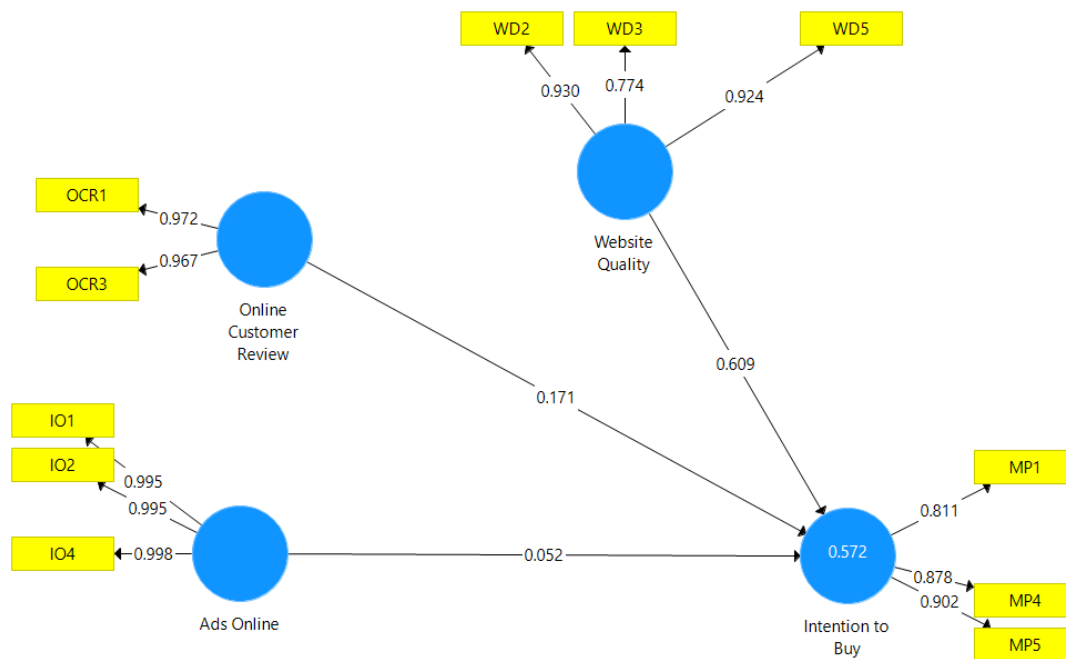


Figure 2. Measurement Model 1

Loading for all items exceeds the suggested value of 0.6 (Chin et al. 1998). The composite reliability (CR) values (see Table 1), which describe the extent to which the construct indicators exhibit a latent construct, ranged from 0.842 to 0.965, which exceeded the recommended value of 0.7 (Hair et al. 2011). The mean extracted variance (AVE), which reflects the total variance in the indicators calculated by the latent construct, was in the range of 0.640 to 0.738, which exceeds the recommended value of 0.5 (Hair et al. 2011). Table 2 describes the results of convergent validity.

Discriminant validity

Discriminant validity is the extent to which the measure does not reflect other variables and it is indicated by the low correlation between the interest measure and other construct measures (Cheung & Lee, 2010).

Table 1. Discriminant Validity Test Results (Cross Loadings)

	Marketing Communication	Purchase Intention	Strategic Location
MC2	0.884	0.748	0.320
MC3	0.918	0.715	0.344
MC4	0.818	0.721	0.214
PI1	0.852	0.870	0.325
PI2	0.710	0.843	0.171
PI3	0.699	0.874	0.352
PI4	0.537	0.775	0.210
PI5	0.602	0.785	0.402
SL1	0.238	0.216	0.793
SL2	0.274	0.248	0.810
SL8	0.282	0.347	0.792

Table 2 . Discriminant Validity Test Results (Cross Loadings)

	Marketing Communication	Purchase Intention	Strategic Location
MarketingCommunication	0.874		
Purchase Intention	0.831	0.834	
Strategic Location	0.336	0.353	0.798

Discriminant validity can be checked by comparing the squared correlation between the constructs and the variance extracted for the constructs (Fornell and Larcker, 1981). As shown in Table 2, the squared correlation for each construct is less than the square root of the mean variance extracted by the indicators measuring the constructs, indicating sufficient discriminant validity. Thus, the measurement model shows adequate convergent and discriminant validity.

Structural Model

The structural model represents the relationship between the latent variables that are hypothesized in the research model (Duerte & Raposo, 2010). After calculating the estimated trajectory in the structural model, bootstrap analysis was performed to assess the statistical significance of the trajectory coefficients. The bootstrap method has been defined as a non-parametric approach that makes statistical inferences without distribution assumptions (Sharma & Kim, 2012).

This procedure uses 500 re-samples to test the significance of the regression coefficients because, according to Chin (1998), this is the usual recommendation when using bootstrapping to estimate parameters. Table 3 and Figure 3 show the results of the structural model of the PLS output. Perceived price, service quality and marketing communications were positively related to online purchasing decisions, explaining 72.9% of the variance.

As shown in Table 3, Service quality and marketing communications reveal a significant relationship with purchasing decisions. And price perception reveals an insignificant relationship with purchasing decisions. The structural model represents the relationship between the latent variables that are hypothesized in the research model (Duerte & Raposo, 2010). After calculating the estimated trajectory in the structural model, bootstrap analysis was performed to assess the statistical significance of the trajectory coefficients. The bootstrap method has been defined as a non-parametric approach that makes statistical inferences without distribution assumptions (Sharma & Kim, 2012).

This procedure uses 500 re-samples to test the significance of the regression coefficients because, according to Chin (1998), this is the usual recommendation when using bootstrapping to estimate parameters. Table 3 and Figure 3 show the results of the structural model of the PLS output. Perceived price, service quality and marketing communications were positively related to online purchasing decisions, explaining 72.9% of the variance.

As shown in Table 3, Service quality and marketing communications reveal a significant relationship with purchasing decisions. And price perception reveals an insignificant relationship with purchasing decisions.

Table 3. Hypothesis

	Hypothesis	T Statistics	Result
Marketing Communication -> Purchase Intention	H1	23,527	Support
Strategic Location -> Purchase Intention	H2	2.025	Support

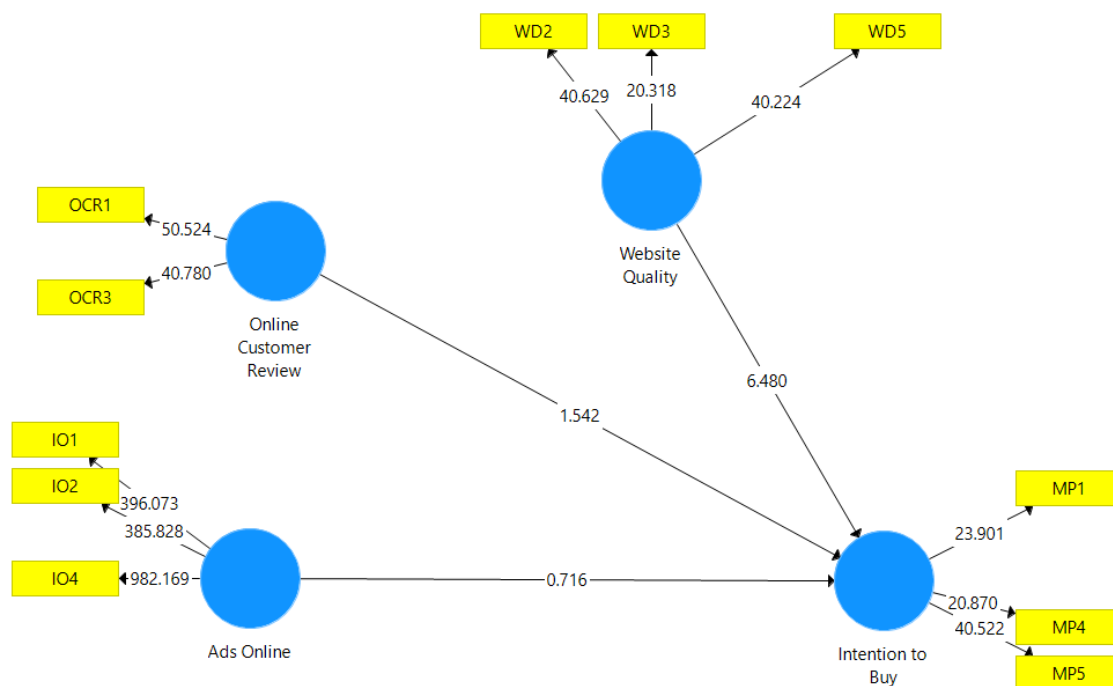


Figure 3. Measurement Model 3

CONCLUSIONS

Based on the results of research and discussion regarding the analysis of the influence of online consumer reviews, online ads and website quality on the intention to buy studies on Elevenia consumers, conclusions can be obtained. Online consumer reviews have a positive and insignificant effect on purchase intention in Elevenia's consumer studies. This proves that the creation of respondents' interest in making purchase transactions is due to the current online consumer review of Elevenia, but it is not significant in considering using Elevenia to shop online to meet their needs.

Online ads have a positive and insignificant effect on purchase intention in Elevenia's consumer studies. This proves that the creation of a respondent's attitude is an interest in buying because of the influence of Elevenia's current online advertising but online advertising is considered insignificant in producing consumer actions to make transactions at Elevenia. Website quality has a positive and significant influence on purchase intention in Elevenia's consumer studies. This proves that the creation of a respondent's attitude is an interest in buying through Elevenia because the Elevenia website has a good website quality by providing information according to consumer needs .

The structural model indicates that the model on the purchase intention variable can be said to be moderate , because it has a value above between 0.33 to 0.67 . The influence model of independent latent variables (Online Customer Reviews , Online Ads and Website Quality) on Intention to Buy gives an R-Square value of 0.572 which can be interpreted that the variability of the constructs of Online Customer Reviews , Online Ads and Website Quality by 57 , 2 %; while the rest can be explained by other variables outside the studied .

Suggestions for further research are suggested to add variables. Not only Online Customer Reviews, Online Ads and Website Quality to measure Purchase Intention to determine purchase intention , but also variables that represent other factors such as price perception, perceived quality, developer name (brand), green housing strategy , to local culture in the housing area. Then expand the research population not only in urban communities, but also in urban and rural communities. Further research can also modify the model by adding intervening variables such as environmental consciousness so that it is hoped that qualitative research methods and quantitative research methods can be carried out to provide more in-depth research results and effective advice for the Government to make new policies related to housing developments and business actors in the property sector. in Indonesia.

REFERENCES

- Christian, M.S., Garza, A.S., and Slaughter, J.E. (2011). Work engagement: A quantitative review and test of its relations with task and contextual performance. *Personnel Psychology*, 64(1), 89-136.
- Hu, T., Zhang, D., and Wang, J. (2015). A meta-analysis of the trait resilience and mental health. *Personality and individual differences*, 76, 18-27.
- Hyo S.J., and Hye H.Y. (2018). Improving frontline service employees' innovative behavior using conflict management in the hospitality industry: The mediating role of engagement. *Tourism Management*, vol.69, 504-505.

- Karatepe, O.M., and Shahriari, S. (2014). Job embeddedness as a moderator of the impact of organizational justice on turnover intentions: A study in Iran. *International Journal of Tourism Research*, 16(1), 22-32.
- Karatepe, O.M., Beirami,E., Bouzari,M., and Safavi, H.P. (2014). Does work engagement mediate the effects of challenge stressors on job outcomes? Evidence from the hotel industry. *International Journal of Hospitality Management*, 36, 14-22.
- Li, X., Sanders, K., and Frenkel, S. (2012). How leader-member exchange, work engagement and HRM consistency explain Chinese luxury hotel employees' job performance. *International Journal of Hospitality Management*, 31(4), 1059-1066.
- P.D.Pramanik, Robiatul A., and Filma festivalia.(2016). Organizational Commitment to Turnover Intention of Melawai Hotel Employees in Jakarta. *Asia Tourism Forum-2016*, Proceeding, ISBN (on-line): 978-94-6252-201-5.
- Rian, P., and Zamralita. (2017). Gambaran work engagement pada karyawan di PT, EG (manufacturing industry). *Jurnal Muara Ilmu Sosial, Humaniora, dan Seni*, 1(2), 295-303.
- Santoso, Singgih, 2014. *Panduan Lengkap SPSS Versi 20, edisi Revisi*. Kompas Gramedia, 315.
- Schaufeli, W.B., and Bakker, A.B. (2014). Defining and measuring work engagement: Bringing clarity to the concept.Retrieved from: <https://www.researchgate.net/>
- Tepper, B.J.(2000). Consequences of abuse supervision. *Academy of Management Journal*, 43(2), 178-190.
- Tepper, B.J., Duffy, M.K., and Shaw, J.D. (2001). Personality moderators of the relationship between abusive supervision and subordinates' resistance. *Journal of Applied Psychology*, 86(5), 974-983.
- You-De D., Wen-Long Z., and Tzung-Cheng H. (2019) Engage or quit? The moderating role of abusive supervision between resilience, intention, and work engagement. *Tourism Management*, vol.70, 73.
- Yucheng Z., Yongxing G., and Alexander N. (2017). Identity judgements, work engagement and organizational citizenship behavior: The mediating effects based on group engagement model. *Tourism Management*, vol.61, 190-197.
- Xu,A.J., Loi, R., and Lam, L.W. (2015). The bad boss takes it all: How abusive supervision and leader-member exchange interact to influence employee silence. *The Leadership Quarterly*, 26(5), 763-774.