

**THE INFLUENCE OF CONSUMER REVIEWS PRICES AND ONLINE ON PRODUCT
PURCHASE DECISIONS IN FASHION CATEGORY IN SHOPEE
(CASE STUDY OF FACULTY OF ECONOMICS AND BUSINESS,
UNIVERSITY OF MUHAMMADIYAH
SUMATERA UTARA)**

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Abstract

Purchasing decisions are actions taken by consumers to make a product purchase. Many factors influence consumer purchasing decisions, including prices and online consumer reviews. This study aims to determine the effect of price and online consumer reviews on product purchase decisions in the fashion category in Shopee (Case Study of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra). The population in this study were students of the Faculty of Economics and Business, Muhammadiyah University of North Sumatra (UMSU) with 100 samples of Students of the Faculty of Economics and Business, Muhammadiyah University of North Sumatra (UMSU) who had shop for fashion products at Shopee in the past 1 year. Data collection techniques use questionnaires or questionnaires that are tested for validity and reliability. The data analysis technique uses multiple regression, classic assumption test, t test, F test and coefficient of determination. Based on the data analysis and discussion in the study, the conclusions are that there is no partial price effect on purchasing decisions with $t_{count} = 1.193 < t_{table} = 1.984$ but there are influences between online consumer reviews on product purchasing decisions in the fashion category at Shopee $t_{itung} = 9.484 > t_{table} = 1,984$. In addition, simultaneously and significantly there is the influence of price and online consumer reviews on product purchasing decisions in the fashion category in Shopee with the value of $F_{count} = 47.039 > F_{table} = 3.09$. Determination coefficient value of 0.492 or 49.2% contribution of price and online consumer reviews on product purchase decisions in the fashion category in Shopee (Case Study of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra) while the remainder is 0.508 or 50.8% influenced by other variables not examined in this study.

Keywords: Price, Price, Online Consumer Reviews, e-WOM, Purchase Decision

BACKGROUND

In this modern era, technological developments have made a shift in consumer behavior from purchases directly in stores to online purchases. In addition to providing local goods, modern markets also provide imported goods. Goods sold have relatively more guaranteed quality (Astuti 2017). Data from Internet World Stats (2017) shows that the number of people using the internet in 2017 exceeded 3.68 billion. The development of online shopping in Indonesia is also increasing. Online shopping is a business or economic activity that uses

information and communication technology applications in each transaction. Online shopping is not only used for buying and selling but also for promotional efforts widely.

The number of internet users in Indonesia is used by various parties as an opportunity to run a business online. E-commerce is a concept that describes a process of buying & selling or exchanging products, services, and information through computer networks including the internet (Turban, King, Lee, Liang, & Turban, 2012: 38). With the E-Commerce, everyone can carry out sales and purchase transactions anytime, anywhere. The current e-Commerce makes it very easy for us to meet our needs. The existence of online trading sites like Shopee, Tokopedia, Bukalapak, Lazada, etc. allows us to be able to buy or sell goods without having to have an offline store.

Without realizing it, the emergence of the development of E-Commerce has changed our lifestyle and behavior. In the past, we had to go somewhere to get the product we wanted. Now, we can order food and drinks, transportation, and hotels just by capitalizing on the smartphones that we have anytime and anywhere. Likewise with buying and selling goods. We just need to choose the items we want to buy, then we make a payment either by directly transferring funds to the seller or through a joint account provided by online buying and selling sites. After that, we just sit still and wait for the items to reach our hands.

Quoted from the technology.id webpage (9/4/2018), based on collected data, sales of fashion products / clothing and beauty products in Indonesia reached US \$ 2.47 billion or around 32 trillion. With that number, fashion and beauty products rank first in the category of goods and services that are most in demand by the people of Indonesia. Following below fashion and beauty products, there is travel with a sales value of US \$ 2.42 billion, equivalent to Rp. 31.4 trillion. One rank below is a toy and hobby product with a value of US \$ 1.44 billion, which is equivalent to Rp. 18.67 trillion.

In addition, reported from the CNBC Indonesia webpage (1/19/2018), one of the online marketplace called Shopee, said that the highest transaction recorded in their application was a fashion shopping category. Included in this category are clothing, shoes, and other complementary displays. Daily transactions at Shopee reach 400 thousand transactions, for the highest is the fashion category that is in demand in Indonesia. The high sales transaction of these products is due to the low price of goods such as clothes, pants and shoes. Rezky Yanuar as the Shopee Brand Manager for Indonesia, estimates that the fashion market in Indonesia is mostly still glimpsed by women compared to men.

Based on the DailySocial webpage (2/10/2018), which conducted the survey, in collaboration with JakPat, to find out the respondent's favorite e-commerce service. The survey was conducted on 2026 respondents throughout Indonesia. Based on this survey, Shopee turned out to be the most frequently used e-commerce service by respondents (34%). The following positions are followed by Tokopedia (28%), Bukalapak (17.5%) and Lazada (14%). Blibli was in the position of caretaker in terms of popularity in the community.

Not only that, buyers usually have several considerations before deciding to buy a product. Examples of these considerations include prices and Online Consumer Reviews. In his research, Shanthi & Kannaiah (2015: 19) found that prices were the most influential factor in online purchasing decisions.

At Shopee, buyers can see the price of the product they are looking for, and the price of the product can be sorted from the cheapest to the most expensive so the buyer can easily find

the price that he wants. Before buying products at Shopee, buyers can see product reviews that have been given from previous buyers. Shopee also makes it easy for buyers to find items that buyers need.

In addition to prices, many online shopping marketing strategies that may be the main consideration for consumers and prospective consumers to transact online. One interesting feature is Online consumer reviews (OCR). The online consumer reviews feature is a review of consumers who have already bought products in an online store, so that other consumers can find out information about the desired product. Whereas according to Iduozee (2015: 22) defines online consumer reviews as a source of consumer information about products and brands.

Some research research says that what drives consumers to look for online reviews is uneven information, lack of information, increased awareness, loyalty behavior, product features, product discount offers, etc. Online review provides a perception of shopping for products online so that it can improve the ability of consumers to make better purchasing decisions. Online consumer reviews can easily be found on websites or e-commerce applications.

THEORETICAL BASIS

Buying decision

Consumer purchasing decisions are actions taken by consumers to buy a product. Every producer must run various strategies so that consumers decide to buy their products.

Purchasing decisions is a process where consumers recognize the problem, find information about a particular product or brand and evaluate how well each alternative is to solve the problem, which then leads to purchasing decisions (Tjiptono, 2011: 24).

Purchasing decisions are consumer behavior in choosing products from several alternatives to find a way out and give birth to the decision to use the product (Kinanti Rahayu, 2016: 24).

Purchasing decisions are also one of the main components of consumer behavior. The decision to buy influences how the process of making the decision is made. Consumer purchasing decisions are influenced by consumer behavior. After that consumers can determine the attitude that will be taken next.

Factors Affecting Purchasing Decisions

According to Monica P Halim (2015: 22-23), the following factors influence consumer purchasing decisions:

1) Marketing Mix (marketing mix)

Marketing mix is a set of marketing tools that companies use to continuously achieve their marketing goals in their target markets. This set of tools can be divided into 4 groups, namely product (product), price (price), place (place), and promotion (promotion). For example a product must be able to provide solutions for customer needs, prices must be able to adjust consumer costs, place must provide comfort, promotion is a communication with consumers about the latest product information.

2) Psychological factors (psychological factors)

Consumers can be affected to buy products through psychological factors. These psychological factors include motives, attitudes, perceptions, learning, and life style.

a) Motives (motives) that is a desire or need that makes consumers look for satisfaction.

b) Attitudes (actions) that can be interpreted as an evaluation when someone feels what is felt and tends to act according to his feelings. This action is influenced by 3 components including:

- Cognitive components that reflect what we believe are true.
- Affective component, includes what we feel when we get information.
- Behavioral component, is an action that we take in accordance with the information we obtain.

c) Perception (perception) which is an interpretation or interpretation of the information obtained so that information received can affect the purchasing decision making process.

d) Learning (learning), which refers to a process of changing mindset or actions that arise from experience. For example, the experience includes information that is read through the internet so that the experience will remain in memory for the future in making purchasing decisions.

e) Life Style is the way consumers spend time and money in a life.

3) Situational factors (situational factors)

Situational factors can arise when someone buys a product because of the intense promotion of a company. For example a promotion can be in the form of buying 1 free 1. Promotion on a product will attract consumers to replace a product that consumers usually buy before.

4) Social factors (social factors)

These social factors are more influenced by social environment (social environment) including family (family), reference groups, and culture (culture).

Price

According to Kotler and Armstrong (2012: 345) prices can be narrowly defined as the amount of money charged for a product or service. Or it can be broadly defined as the amount of value exchanged by consumers for the benefit of owning and using a product or service that enables the company to obtain a reasonable profit by being paid for the value of the customer it creates.

Buchari Alma (2011: 169) defines that price is the value of an item expressed in money. Price has two main roles in the buyers' decision making process, namely the role of allocation and the role of information.

Pricing Strategy

The pricing strategy is a company process in classifying and classifying the products that are produced whether new products or products that have been circulating in the community. According to Kotler and Armstrong (2016: 349) there are several pricing strategies as follows:

1) Market - Skimming Pricing (Market Milking Prices)

At the market milking price the company sets a high price on new products to redeem the maximum income little by little from the segments that are willing to pay high prices. Determination of market milk prices can be applied under the following conditions:

- a) The quality of the product and image must support a higher price and there must be enough buyers who want the product at that price.
- b) Unit costs of producing small volumes are not so high that they eliminate profits.
- c) Competitors cannot enter the market easily and weaken high prices.

2) Market - Penetration Pricing (Market Share Price)

At the market share price the company sets a low price on new products to attract a large number of large buyers and marketers. Some conditions that must be met for this low price strategy to work, include:

- a) Markets must be very sensitive to prices so that low prices result in more market growth.
- b) Costs of production and distribution must decrease to increase sales volume.
- c) Lower prices must help keep competition out and penetration prices must maintain a low price position. If not, the price gains obtained are only temporary.

According to Abdullah and Tantri (2014: 171), companies must consider many factors in preparing policies to set prices

Online Consumer Reviews

Online Consumer Review is a form of electronic word of mouth (e-WOM). Review is one of several factors that determine a person's purchasing decisions, indicating that people can take the number of reviews as an indicator of product popularity or the value of a product that will affect the willingness to buy a product. But not necessarily the more reviews and ratings mean the product will definitely be purchased by the customer. Many factors are the reasons for purchasing products for customers.

Online review can be a powerful promotional tool for marketing communication. Marketers and vendors have used this media because it provides cheap and impactful channels to reach their customers. Marketers are known to have taken advantage of the network of influence between customers to influence potential buyers' buying behavior.

According to Almana and Mirza (2013: 23) "Online Consumer Review is used as a means for consumers to find and obtain information that will later influence purchasing decisions". Online consumer review also has a function as a decision-making tool, a mechanism for consumer feedback, and a recommendation system on online shopping platforms.

In addition, according to Sutanto and Aprianingsih (2016: 218) online consumer review is one form of electronic word of mouth and can be said to be new marketing communication and can influence and play a role in the process of purchasing decisions. Information obtained from online consumer reviews can be used to identify and evaluate products that consumers need.

Differences in Online Consumer Review (e-WOM) and Word of Mouth (WOM)

Online consumer review (e-WOM) is different from traditional WOM.

According to Donni J Pariansa (2017: 352-353) the difference between online consumer review (e-WOM) and traditional e-WOM is:

- 1) e-WOM communication involves multi-way information exchanges in asynchronous mode and with a variety of technologies, such as online discussion forums, electronic

bulletin boards, newsgroups, blogs, review sites, and social networking. Electronic communication can facilitate the exchange of information between communicators.

- 2) 2) e-WOM communication is more easily accessed and available than traditional WOM because messages are text-based so that theoretically the message is available for unlimited time.
- 3) 3) e-WOM communication is easier to measure than traditional WOM. With the presentation format, quantity and persistent e-WOM, e-WOM messages are easier to observe.
- 4) 4) In e-WOM communication, the recipient of the message has an obstacle in assessing whether the sender of the message and the message can be trusted or has high message credibility because in an online environment, people can only assess the credibility of a communicator based on an online reputation system, for example online rating or website credibility

The principles of WOM itself have adapted quickly in the realm of internet marketing even though it does not abandon its traditional principles. In the traditional principle of WOM marketing, it is stated that sources of information that are personal and well-known, such as friends, colleagues, and colleagues have a tendency to be accepted positively, not as if the source is not personal or even unknown. (Eaton, 2006: 1).

Traditional advertising and e-WOM have different functions so that often modern marketers utilize e-WOM not to replace the role of television advertising in building awareness (the ad with the highest spread range), because e-WOM is a very dynamic means of communication, they use it precisely to double impact marketing communications campaigns.

The advantages of e-WOM are cost-effective, because the dynamism of communication content can be changed along with and as fast as the needs of marketers. In addition, another great advantage of e-WOM is the nature of multiple objectives where e-WOM is able to bring the function of increasing awareness and motivation of purchases directly at once. Unlike traditional advertising, which can only perform the function of awareness (awareness) and interest (interest) because the function of desire (desire) and action (action) is fulfilled through sales promotion activities. (Susilo Hadi and F. Anita Herawati, 2013: 7)

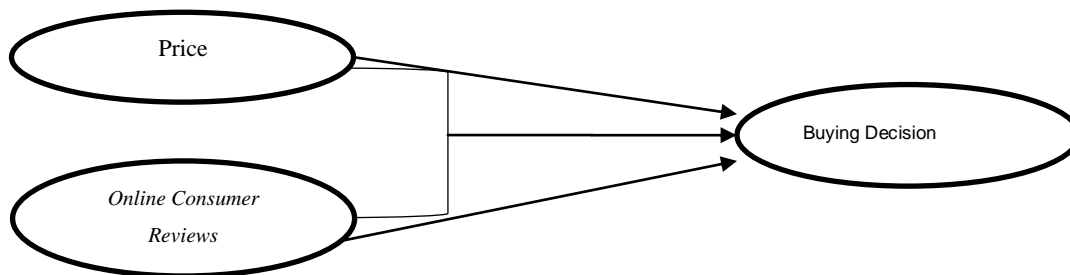
Advantages and disadvantages of *Online Consumer Reviews*

According to Jana Valant (2015: 3-4) online reviews will help consumers in situations where they feel lack of confidence and lack of knowledge, offering them independent, trusted sources and information that enables them to identify distrust to sellers and avoid payments to defective and unreliable products or dubious services. Consumer reviews qualify as a power shift tool, which allows consumers to get information, rather than getting a business to push information to them. Research shows that consumers have a greater influence on consumer reviews than businesses or independent experts tell them. Consumers feel they have authority because this way provides information to them as an opportunity to get information between customer service (seller) and buyers. Internet and online reviews provide a forum for comfortable learning of people's experiences, whenever they want and without direct seller pressure. Other benefits that might be reviewed from online consumer reviews are:

- 1) Allows consumers to make purchasing decisions that are faster and better.

- 2) Ensuring or increasing competition among businesses regarding products and services that are valued by consumers and therefore indirectly by providing feedback from online consumers, helping to convey their quality.
- 3) Allows consumers to narrow their searches and identify certain reviews (eg reviews filtered by age, social status or other criteria).
- 4) Bringing consumers' attention to a variety of products and services that they might not have been aware of (and thus also allowing new businesses and small businesses to benefit from online visibility).

Based on the description, the consumer review online indicator used in this study includes: Awareness (awareness), Frequency (frequency), Comparison or comparison (Effect).



Gambar 1. conceptual framework

Hypothesis

Based on the description above, the hypothesis formulated from the problem boundary is:

1. There is a price influence on product purchasing decisions in the fashion category in Shopee for students of the Faculty of Economics and Business, North Sumatra Muhammadiyah University.
2. There is an online consumer reviews influence on product purchase decisions in the fashion category at Shopee for students of the Faculty of Economics and Business, North Sumatra Muhammadiyah University.
3. There is an influence between price and online consumer reviews on product purchase decisions in the fashion category at Shopee for students of the Faculty of Economics and Business, Muhammadiyah University of North Sumatra

RESEARCH METHODS

This research belongs to the category of associative causal research using a quantitative approach. Associative research is aimed at analyzing the problem of the relationship of a variable with other variables (Azuar Juliandi et al., 2015: 86). The quantitative approach was chosen because the data used to analyze the influence between variables is expressed by numbers or numerical scales. This study explains the influence between the variables studied, namely the influence of prices and online consumer reviews on product purchasing decisions in the fashion category at Shopee. This study sets the target population of students of the Faculty of Economics and Business, Muhammadiyah University of North Sumatra. Determination of respondents in this study is by purposive sampling method, namely the determination of respondents from the population with certain criteria. The criteria for determining respondents in this study include the students of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra, who have been shopping for fashion products at Shopee in the past year. The number of samples taken in this study were 100 respondents.

RESEARCH RESULT

Multiple linear regression

Data analysis in this study used multiple linear regression analysis. In this study there are two independent variables namely price and consumer consumer online and one dependent variable is the purchase decision.

Tabel 1
Regresi Linear Berganda
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.873	3.539		1.659	.100
Harga	.110	.092	.087	1.193	.236
Online Consumer Reviews	.811	.086	.689	9.484	.000

a. Dependent Variable: Keputusan Pembelian
Sumber: Data Diolah SPSS (2019)

Regression Analysis

T test

Price Influence on Purchasing Decisions

From the above tests it can be stated that the effect of price on purchasing decisions states that the value of tcount 1.193 < ttable 1.984 so it can be concluded that there is no significant price effect on product purchasing decisions in Shopee's fashion category at the Faculty of Economics and Business Muhammadiyah University of North Sumatra . This can be shown from the results of the t test with sig probability on the perception variable 0,000 > 0.05, which is not in accordance with the research conducted by Fandia (2016) which found that prices have a positive effect on purchasing decisions.

Effect of Online Consumer Reviews on Purchasing Decisions

From the results of the t test for online consumer reviews variables, it can be seen that tcount 9.484 > t table 1.984 with probability sig 0.000 < 0.05. So, it is concluded that Ho is rejected and Ha is accepted so that it can be said that there is a significant influence of online consumer reviews on product purchasing decisions in the fashion category at Shopee at the Faculty of Economics and Business, University of Muhammadiyah North Sumatra. The results of this study are in accordance with the theory stated by Kinanti Rahayu (2016) in his research entitled "The Effect of Electronic Word of Mouth on Purchasing Decisions on Four-Wheeled Vehicle Consumers of the Honda Brand" stating that consumer consumer online (e-WOM) has a positive influence on purchasing decisions four-wheeled vehicle brand Honda.

Test F

Effect of Price and Online Consumer Reviews on Purchasing Decisions

From the results of the F test, the Fcount value is obtained 47,039 > Ftable 3.09. While the significant value in the F test table is 0,000 < 0,05. This means that Ho is rejected and Ha is

accepted which means that prices and online consumer reviews have a simultaneous and significant effect on product purchasing decisions in the fashion category at Shopee for the Faculty of Economics and Business, University of Muhammadiyah North Sumatra.

This is in accordance with the results of previous research conducted by Nur Laili Hidayati (2018) entitled "The Influence of Viral Marketing, Online Consumer Reviews, and Prices on Shopee Purchase Decisions in Surabaya", consumers who will buy products at Shopee will consider the opinions of other consumers seen through online consumer reviews provided by Shopee online shopping, this is because consumers want to know more information easily in the decision-making process.

Determination Coefficient (R-Square)

The R Square value is known to be 49.2% which indicates that around 49.2% of purchase decision variables can be explained by variable price and consumer online reviews. Or it can be said that the contribution of price and online consumer reviews on product purchasing decisions in the fashion category at Shopee at the Faculty of Economics and Business at the Muhammadiyah University of North Sumatra is 49.2%. While the remainder which is equal to 50.8% is influenced by other variables not examined in this study.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the study that there is no effect of prices on product purchasing decisions in the fashion category. Whereas online consumer reviews have an effect on product purchasing decisions in the fashion category at Shopee. And the results of simultaneous research that prices and online consumer reviews influence the product purchasing decisions in the fashion category at Shopee. Based on the results of hypothesis testing, the price does not affect the purchase decision, then Shopee should give a bonus to the sellers who sell fashion products who have succeeded in achieving a certain number of sales targets so that the sellers can reduce the product selling price or at least the price is adjusted so that Consumer purchasing decisions for products in the fashion category at Shopee can be improved. Online consumer reviews are very important for consumers shopping online at Shopee. There are several things that must be considered by the seller, one of which is the suitability of the product. Where consumers need information in accordance with what is written by the seller, in reviews other consumers complain about the product obtained with the information that is not appropriate, but the seller still has not corrected the error so the latest review also states the same thing. So that consumers will be hesitant to buy these products. because of the importance of online consumer reviews, online shopping at Shopee also needs to increase trust in the company by increasing the credibility of the sellers who are there so consumers will always make purchasing decisions at Shopee.

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