

Influence of Price, Product Reviews, and Quality of Service on Online Purchase Decisions through Shopee on Students of Batam State Polytechnic

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Keywords: Price, Review Products, Quality of Service, Purchase Decision.

Abstract: This study aims to determine the influence of price, product reviews, and quality of service on *online* purchasing decisions through Shopee on Batam State Polytechnic students. The population in this study is students of Batam State Polytechnic class 2018-2020 with the number of samples used in this study is 100 respondents. This study uses quantitative approach using descriptive statistical analysis with data processing using multiple linear regression analysis with sampling techniques using *purposive sampling* techniques. The results proved that product prices and reviews had no influence on purchasing decisions where t-calculated the price of 0.381 and t-count product reviews 0.690 smaller than the t-table of 1,660. While the variable quality of service has an influence on the variable of purchasing decisions with t-count 1,816 greater than t-table of 1,660. And the three independent variables namely price, product reviews and service quality have a positive and significant effect simultaneously on purchasing decisions with a value of f-count 12,791 greater than the value of f-table that is 2,14.

1 INTRODUCTION

With the development of information technology such as the internet, the number of internet users in Indonesia from year to year is increasing along with technological advances. According to a 2019 Indonesian Internet Service Providers Association (APJII) survey published by Internet World Stats, the number of Internet users in Indonesia increased by 64.1% compared to the previous year, and the total number of users reached 175.4 million.

With the increase of internet users in Indonesia, this is clearly a very promising business potential. Through this opportunity, the company increasingly hopes to reach its consumers through various channels, such as e-commerce or commonly referred to as e-commerce or e-commerce. Many people take advantage of this opportunity to start an online business because it is considered more profitable and promising.

According to Vasić, Kilibarda, & Kaurin (2019), this phenomenon creates a new thing in consumer behavior in online shopping that can be easily purchased and sell their products using e-commerce facilities, social media, and communities.

E-commerce is a third-party application created to connect buyers and sellers online, making it easier for them to do so. E-commerce itself is an application that can be accessed and downloaded through each user's mobile phone such as Shopee, Lazada, Bukalapak, Tokopedia, Blibli, and so on.

Based on the monthly visitor data of Indonesian e-commerce sites referred to by databoks.katadata.id, Shopee ranks first with 96.5 million monthly visits, making it the most popular and relatively widely used e-commerce site. Shopee is an e-commerce website with a market model that allows individuals or entrepreneurs to easily open an online business and provide a safe and convenient online buying and selling experience. Shopee app itself has interesting features and is very easy to use, so users will not have any difficulties. In addition, Shopee itself has interesting marketing techniques, has created a program that will be held every month, one day in the program, online sellers will give massive discounts so that users are interested in buying.

Before purchasing a product, consumers have some considerations before deciding to buy a product. One of the first considerations I saw was the price of the product. In the Shopee app, consumers can check the price of the desired items from each store, ranging

from the most purchased, the cheapest to the most expensive. This makes it easier for consumers to find products that suit their needs.

After searching for a product with the right price, the second thing that is usually a consideration of consumers before deciding to buy a product is a product review or an online customer review. According to Collins in Shafa & Hariyanto (2020), product reviews are news in the media where someone expresses an opinion about the service or product purchased. That's why product reviews mean a lot to sellers in order to improve their quality and help other consumers in deciding whether to make a purchase of the product or not.

In addition to product reviews, the quality of service provided by online store owners is also very attentive. Good quality of service will be one of the considerations of a consumer before deciding on the purchase of products because consumer confidence is always a priority so it takes the ability to serve consumers (Meliana et al., 2013).

Based on research conducted by Rahayu, Sismanto & Arlanto (2020) with the title "The Influence of Prices, Product Reviews, Ease of Use, and Transaction Security on Online Purchase Decisions at Shopee" shows that prices and product reviews have a positive and significant partial effect on decisions online purchases. This shows that prices and product reviews have an impact on the tendency of consumers to make an online purchase. Meanwhile, according to research conducted by Fahrevi and Satrio (2018) with the title "The Influence of Price, Promotion, and Service Quality on Online Purchase Decisions at Shopee.co.id" states that service quality has a significant and positive effect on online purchasing decisions. So it can be concluded that the better the quality of service provided by the seller to the consumer, the higher the purchase decision on the product.

Based on the explanation above, researchers are interested to research more about the influence caused by variable prices, product reviews and quality of service to purchasing decisions by taking the title "Influence of price, product reviews, and quality of service on the quality of online purchases through Shopee on Batam State Polytechnic students".

2 LITERATURE REVIEW

2.1 Price

Price is a monetary measure or unit of a product or other service that is exchanged for property rights or

the use of such goods or services (Malau, 2017). Price is one of the factors that determine a consumer's decision in making a purchase. Where consumers tend to make prices become a benchmark or assessment of the quality and suitability of the benefits of a product. Proper pricing can benefit the seller. That is why a seller must be able to set the price appropriately so that the products or services they offer can be successful and in demand in the market. As for the indicator of the price according to Kotler & Amstrong in Muhasri (2019) is an affordable price, the price is in accordance with the quality of the product, the competitiveness of the price and the price in accordance with the benefits.

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2.2 Review Products

Product reviews are responses given by consumers regarding products or services that have been used. According to Mo, et. al. in Saripa (2019) argues that reviews containing images reflect the quality of actual items, such as color problems, inconsistent specifications, usage issues, or high quality, and good experiences. Product reviews are very influential for both sellers and buyers. Product reviews become one of the marketing techniques that play a role in the purchasing decision making process. The indicators of product reviews according to Lackermair, Kailer & Kamaz (2013) are awareness, frequency, comparison, and influence.

2.3 Quality of Service

Quality of service is a thing provided by the seller to satisfy consumers (Tjiptono in Fahrevi & Satrio, 2018). The quality of services provided is also considered by consumers because if the services provided are not in accordance with the wishes of

consumers then it can have a bad impact on the business that is being run. Consumer confidence must be maintained so that consumers always feel that the service we provide is good enough and make those consumers loyal to us. The indicators of the quality of service seen by consumers according to Parasuraman, Zeithaml & Berry (2018) namely reliability, responsiveness, assurance, empathy, and tangibles.

2.4 Purchase Decisions

Purchase decision is a process where consumers know the problem, look for a particular product or brand and evaluate how well each alternative can solve the problem, which then leads to a purchase decision (Tjiptono in Shafa & Hariyanto, 2020). Before deciding to make a purchase, consumers usually first see what the parameters are before deciding to buy. As for the parameters before someone decides to make a purchase according to Kotler & Keller in Muhasri (2019) there are 5 problem recognition, information search, evaluation of alternative (alternative evaluation), purchase decision (determining purchase), and post purchase behavior (behavior after purchase).

3 METHODS

3.1 Populations and Samples

The population in this study is Batam State Polytechnic students in 2018-2020 which amounted to 4872 students. The samples used in this study numbered 100 respondents.

3.2 Methods

The research method used in this study is quantitative analysis method. The results of this data collection were obtained from the results of questionnaires distributed to samples which then the results were tabulated frequency distribution of each variable. Then the data obtained will be processed and analyzed to get conclusions from the existing problems.

The study used four variables, where price, product reviews and service quality as independent variables and purchase decision variables as dependent variables. This research uses multiple linear regression analysis methods to process the data of questionnaire results obtained from respondents. The equation model is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 \quad (1)$$

Description :

Y = Purchase Decisions

X_1 = Price

X_2 = Product Reviews

X_3 = Quality of Services

α = Constant

β = Regression Coefficient

4 RESULT AND DISCUSSION

4.1 Validity Test

Validity tests are used to test the reliability of a questionnaire. To see the validity test level of this questionnaire refers to the apostate value, where the value of the correlation rcount must be greater than the tabular value. To test its validity in this study using SPSS version 25. If the calculated r is greater than rtable and is positive, then the question item or indicator is declared valid (Ghozali, 2018). Here are the validity test results that the researchers have summarized in the following table:

Table 1: Recapitulation of Research Instrument Validity Test Results.

Variable	Validity			
	Item	Rcount	R table	Description
Price (X1)	X1.1	0,795	0,1654	Valid
	X1.2	0,757		Valid
	X1.3	0,738		Valid
	X1.4	0,730		Valid
	X1.5	0,826		Valid
Product Reviews (X2)	X2.1	0,759	0,1654	Valid
	X2.2	0,766		Valid
	X2.3	0,660		Valid
	X2.4	0,615		Valid
Quality of Service (X3)	X3.1	0,340	0,1654	Valid
	X3.2	0,307		Valid
	X3.3	0,336		Valid
	X3.4	0,364		Valid
	X3.5	0,510		Valid
	X3.6	1		Valid
Purchase Decisions (Y)	Y.1	0,545	0,1654	Valid
	Y.2	0,508		Valid
	Y.3	0,340		Valid
	Y.4	0,634		Valid
	Y.5	0,519		Valid
	Y.6	0,735		Valid
	Y.7	0,548		Valid
	Y.8	0,590		Valid

(Source: SPSS Processing result 25, 2021)

4.2 Reliability Test

Reliability test is a test that shows the consistency of the question instrument in this study. A questionnaire is said to be reliable or reliable if each question is answered consistently (Ghozali, 2018). The question criteria can be said to be reliable if the cronbach alpha value is greater than 0.60. Conversely if the result of cronbach alpha is less than 0.60 then it is not reliable. Reliability test results in this study can be seen in the table below:

Tabel 2: Recapitulation of Reliability Test Results.

Variable	Reliability		Conclusion
	Alpha Cronbach	Cut off Alpha Cronbach	
Price (X1)	0,822	0,6	Reliable
Product Reviews (X2)	0,650	0,6	Reliable
Quality of Service (X3)	0,848	0,6	Reliable
Purchase Decisions (Y)	0,672	0,6	Reliable

(Source: SPSS Processing result 25, 2021)

4.3 Descriptive Statistics

Characteristics of respondents is an overview of the respondents who became a sample of research. This characteristic is the identity given by respondents to the study with the title "Influence of Price, Product Reviews, and Quality of Service To Online Purchasing Decisions Through Shopee At Batam State Polytechnic Students". The respondents in this study were students of Batam State Polytechnic class 2018-2020 as many as 100 respondents. The characteristics of respondents in this study include gender, course of study, and year of study.

Table 3: Recapitulation of Results from Respondent Characteristics.

No	Variable	Percentage (%)
Gender		
1	Female	57%
	Male	43%
Study Program		
2	Applied Business Administration	11%
	Accounting Managerial	8%
	Accounting	5%
	International Trade Logistics	5%
	Informatics Engineering	10%

No	Variable	Percentage (%)
	Multimedia and Networking Engineering	11%
	Geomatics Engineering	5%
	Animation	4%
	Saber Security Engineering	3%
	Electronics Engineering	4%
	Manufacture Electronics Engineering	1%
	Mechatronics Engineering	11%
	Instrumentation Engineering	2%
	Robotics Engineering	4%
	Power Plant Engineering	3%
	Mechanical Engineering	5%
	Ship Planning & Reconstruction Engineering	3%
	Aircraft Maintenance Engineering	5%
Year of Entry		
3	2018	57%
	2019	18%
	2020	25%

(Source: SPSS Processing result 25, 2021)

4.4 Multiple Linear Regression Test

Multiple linear regression analysis is used for the purpose of knowing whether or not an independent variable affects dependent variables. Multiple linear regression calculations in this study using spss application program help version 25.. The results of the calculation of multiple linear regression tests are as follows:

Table 4: Recapitulation of Multiple Linear Regression Test Results.

Model	Unstandardized Coefficients		Standardized Coefficients Beta
	B	Std. Error	
(Constant)	12,333	2,216	
Price	0,211	0,553	0,156
Product Reviews	0,382	0,554	0,285
Quality of Service	0,188	0,104	0,173

(Source: SPSS Processing result 25, 2021)

4.5 T Test

T test is used to measure the extent of the influence of each free variable i.e. variable price (X1), product review (X2) and service quality (X3) partially to the

bound variable i.e. purchase decision variable (Y) by comparing t-count value with t-table with a level of significance of 10%. The research has a test hypothesis model where the value of t-table and df (degree of freedom) with the formula $n-2$. Based on the calculation of criteria obtained t-table value of 1,660. The following are the results of the recapitulation of multicollinearity tests in the following table:

Table 5: Recapitulation of T Test Results.

Model		Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
		B	Std. Error			
1	(Constant)	12,333	2,216		5,566	0
	Price	0,211	0,553	0,156	0,381	0,704
	Product Reviews	0,382	0,554	0,285	0,690	0,492
	Quality of Service	0,188	0,104	0,173	1,816	0,072

(Source: SPSS Processing result 25, 2021)

4.6 F Test

F test or simultaneous test is a test used to measure the extent to which free variables i.e. price variables (X_1), product reviews (X_2) and service quality (X_3) jointly affect bound variables i.e. purchase decisions (Y). Calculation for test F, requires df. Based on the calculation of the above criteria obtained a f-table value of 2,14. The test results of the f test in this study can be seen in the following table:

Table 6: Recapitulation of F Test Results.

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	285,690	3	95	12,791	,000 ^b
	Residual	714,750	96	7,445		
	Total	1,000,440	99			

(Source: SPSS Processing result 25, 2021)

4.7 Discussion

- The results of this research analysis show that price variables are of positive value and there is no significant influence on the variables of online purchasing decisions through Shopee. This is evidenced by the value in the t test with t-count value is $0.381 < 1.660$ with a significant value on the variable price of $0.704 > 0.1$. In this case the zero hypothesis is accepted because the

price variable has no effect on the purchase decision variable.

- Based on the above T test results it is known that product review variables are positive and there is no significant influence on the variables of online purchasing decisions through Shopee. This is evidenced by the value in the t test with a t-count value of $0.690 < 1.660$ with a significant value on the variable price of $0.492 > 0.1$. In this case the zero hypothesis is accepted because the product review variable has no influence on the purchase decision variable. The results of this study support previous research conducted by Ilmiyah and Krishernawan (2020) which explained that product review variables do not have a positive influence on the variable of purchasing decisions.
- Based on the results of the T test above it is known that the variable quality of service is positive and there is a significant influence on the variable of online purchasing decisions through Shopee. This can be proven by the value in the t test with t-count value is $1,816 > 1,660$ with a significant value on the service quality variable worth $0.072 < 0.1$. In this case the zero hypothesis is rejected because the service quality variable has an influence on the purchase decision variable. The results of this study support previous research conducted by Fahrevi and Satrio (2018) stated that the quality of service positively affects the variable purchasing decisions.
- The results of this research analysis show that the price, product reviews, and quality of service simultaneously influence the decision to purchase products *online* at Shopee in batam state polytechnic students. Based on the above statement, it can be concluded that the first hypothesis is accepted. Because the three independent variables are price, product reviews and service quality significantly influenced the dependent variable that is the decision to purchase online through Shopee at the Batam State Polytechnic students. This statement can be proven by f-count result of 12,791, this value is greater than the error rate of 10% or 0.1 of f-table of 2.14 and a significant value of 0.000 that is smaller than the alpha value of 0.1.

5 CONCLUSIONS

Based on the data analysis conducted by the authors in this study can be drawn the following conclusions:

1. Variable prices have no influence on the variable purchasing decisions online through Shopee on students of Batam State Polytechnic.
2. Variable product reviews have no influence on the variable of online purchasing decisions through Shopee on students of Batam State Polytechnic.
3. Variable quality of service has an influence on the variable of online purchasing decisions through Shopee on students of Batam State Polytechnic.
4. Variable price (X1), product reviews (X2) and quality of service (X3) together that have a positive nature with variable purchasing decisions (Y) online through Shopee at students Batam State Polytechnic.

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