THE EFFECT OF ONLINE CUSTOMER RATING, CASH ON DELIVERY PAYMENT SYSTEM, AND ONLINE CUSTOMER REVIEWS ON PURCHASING DECISIONS

Suci Mulyana[1], Nurainun[2], Khairina AR[4]
[1,2,3,4] Faculty of Economics and Business, Universitas Malikussaleh, Indonesia
Corresponding E-mail: nurainun@unimal.ac.id

Abstract

This thesis aims to find out the influence of Online Customer Rating, Cash on Delivery Payment System, and Customer Reviews on Purchasing Decisions. The research method used in preparing this thesis uses quantitative methods, with the sampling method using non-probability sampling techniques and purposive sampling techniques. The sample in this study amounted to 120 samples. The data was collected through a survey distributing questionnaires via hard copy to consumers who made purchases and also used the Bukalapak marketplace. This study uses multiple linear regression analysis methods. The results of this study found that online customer ratings (X1) partially have a negative and significant effect on purchasing decisions (Y), cash on delivery payment systems (X2) partially have a positive and significant effect on purchasing decisions (Y), and online customer reviews (X3) partially have a negative and significant effect on purchasing decisions (Y). The results of this study indicate that purchasing decisions on the Bukalapak website are strongly influenced by the Cash on Delivery Payment System variable (X2). Meanwhile, for simultaneous testing, it was found that the variables Online Customer Rating (X1), Cash on Delivery Payment System (X2), and Online Customer Reviews (X3) together have an effect on purchasing decisions on the Bukalapak website.

Keywords: Online Customer Rating, Cash On Delivery Payment System, Online Customer Reviews, And Purchasing Decisions.

1. INTRODUCTION

The number of e-commerce platforms emerging has made consumers more careful in choosing marketplace sites to use as a place to make purchasing transactions. When deciding to make a purchase on e-commerce, consumers will usually look for the e-commerce that is the best and most frequently used by other consumers. There are many things that consumers need to consider before making a purchasing decision, one of which is online customer ratings. The existence of online customer ratings makes consumers more confident in the quality of e-commerce. *Online customer reviews* are customer textual reviews, which describe product features such as pros and cons (Lackermair et al., 2013). The more positive ratings will influence purchasing decisions. On the other hand, if there are many negative assessments about the product, it will increasingly make potential buyers hesitate to make a purchasing decision.

Therefore, it is very important for e-commerce business actors to further increase ratings and reviews. by improving product quality in terms of product details, packaging, response to customers, as well as an appearance that matches the image offered to customers. Among the many e-commerce available, one of them is Bukalapak e-commerce. Bukalapak is the third most visited e-commerce site in Indonesia. The number of visits to Bukalapak reached 30,126,700 visitors per month in the third quarter of 2021 (Kontan.co.id 2023). The average number of Bukalapak visitors each month fell 22.1% from 89.77 million visitors to 115.26 million visitors in the second quarter of 2019, according to data from iPrice Group. This decline is the most significant in the last two years.

THE EFFECT OF ONLINE CUSTOMER RATING, CASH ON DELIVERY PAYMENT SYSTEM, AND ONLINE CUSTOMER REVIEWS ON PURCHASING DECISIONS

Suci Mulyana[1], Nurainun[2], Khairina AR[4]

The decrease in average visitors per month caused Bukalapak's ranking to fall from 2nd to 3rd in the number of visitors per month in the second quarter of 2019. This downward trend continued from the first quarter of 2019 at 0.6%. 116 million. Bukalapak previously experienced a monthly graph spike of up to 99.6% in the second quarter of 2017. According to the Indonesian e-commerce map, Bukalapak has averaged 60.5 million visitors per month since the first quarter of 2017, only 30.33 million.Although the number of visits at the beginning of February 2023 has decreased. However, Bukalapak's transaction value increases every year, while Bukalapak's transaction value is projected to reach US$ 8.3 billion in 2023.This increase in transaction value was due to some customers making purchases in large quantities.

2. IMPLEMENTATION METHOD

The subjects in this research are customers who use the Bukalapak marketplace. The subjects in this research are people who use and make purchases at bukalapak. Meanwhile, the research location was carried out in the city of Lhokseumawe. The population in this research is all customers who have used the Bukalapak marketplace and have filled out a questionnaire. Meanwhile, according to Ghozali, (2018), population is the sum of all objects or individual units observed in research. The sample in this research was the people of Lhokseumawe city. In this research, the author used the Non Probability Sampling technique, which is a method used if it is not possible to obtain a complete list of the research population, so that there is no equal chance among members of the population. with the criteria of using Bukalapak e-commerce and making purchases using the cash on delivery (COD) payment system, providing reviews and ratings. the population size of the criteria mentioned is still unknown (infinite population). According to Hair Jr. et al., (2014) the minimum sample size is 5-10 times the number of indicators. The indicators in this study are 20 indicators

The type of data used in this research is primary data. The data collection technique used in this research uses data collection tools through questionnaires that will be distributed. Questionnaires are distributed to research respondents, where researchers will immediately process the recapitulation results of the weighting results or research on the respondents' answers, for further processing as descriptive data. Validity tests and reliability tests were carried out before carrying out data analysis. Validity tests and reliability tests are used to test whether the questionnaire is suitable or not suitable for use as a research instrument. The data processing tool in this research uses SPSS. SPSS (Statistical Program for Social Science) is software used to process and analyze data using statistical analysis capabilities and an accurate data management system. In this research, SPSS 26 for Windows statistical software was used.

3. RESULTS AND DISCUSSION
3.1 Results
Data analysis in this research uses multiple linear regression analysis using SPSS, explained in the following description:

Table 1
Multiple Linear Regression Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	10,236	2,682		3,817	,000
Online Customer Ratings	,082	,088	,089	,930	,354

	,302	,107		,263	2,822	,006
Cash Payment System on Delivery	,302	,107		,263	2,822	,006
Online Customer Reviews	,123	,115		,106	1,072	,286

Source: Research Results, Data processed 2023

Based on Table 1 above, it can be seen that the coefficients of each variable and constant that are observed in this research are the online customer rating coefficient (X1) 0.082, the cash on delivery payment system coefficient (X2) 0.302, the online customer review coefficient (X3) 0.123 and the constant 10.236. . This means that the independent variable influences purchasing decisions (Y). The equation can be written as follows:

$$Y = 10.236 + 0.082 X1 + 0.302 X2 + 0.123 X3$$

The description of the multiple linear regression equation above can explain the influence of Online Customer Rating, cash on delivery (COD) payment system and Online Customer Review on purchasing decisions on the Bukalapak site. The analysis results show that:

1. The constant value (α) is (10.236), this shows that if there is an influence (increase/decrease) in the values of the variables X1,
2. The first coefficient value, namely Online Customer Rating (X1) is (0.082), this states that if there is an increase in Online Customer Rating (X1) by 1, it will increase purchasing decisions (Y) by 8.2%.
3. The coefficient value of the Cash on Delivery (COD) Payment System (X2) is (0.302), this states that if there is an increase in the Cash on Delivery (COD) Payment System by 1, it will increase the Purchase Decision (Y) by 30.2%.
4. The coefficient value of Online Customer Review (X3) is (0.123), this states that if there is an increase in Online Customer Review by 1, it will increase Purchasing Decisions (Y) by 12.3%.

The t statistical test basically shows how much influence an independent explanatory variable individually has in explaining variations in the dependent variable. The t test has a significance value of α = 5%. Decision making criteria:

   a. Coefficient α = 0.05
   b. Df (dk) = nk

Decision Making Conditions:

   a. Accept H0 and reject Ha, if t count < t Sig table. > 0.05
   b. Reject H0 and accept Ha, if t count > t table Sig. < 0.05

In this research, partial hypothesis testing (t test) can be seen in the table below:

Table 2 Partial Test Results

Model	Q	Sig.
(Constant)	3,817	,000
Online Customer Ratings	,930	,354
COD	2,822	,006
Online Customer Reviews	1,072	,286

Source: Research results, data processed in 2023

From Table 2, the t-count value for each independent variable is obtained. With the provisions to get df = nk = (120-4 = 116) at α = 5% t table of 1.658. The F statistical test also shows whether all the independent variables included in the model have a joint influence on the dependent variable. Simultaneous testing criteria (Test F) are as follows:

   a. IfFcount> Ftable and sig value < 0.05 then the hypothesis can be tested simultaneously.
   b. IfFcount < Ftable and sig value > 0.05 then the hypothesis cannot be tested simultaneously. c.

*THE EFFECT OF ONLINE CUSTOMER RATING, CASH ON DELIVERY PAYMENT SYSTEM, AND
ONLINE CUSTOMER REVIEWS ON PURCHASING DECISIONS*

Suci Mulyana[1], Nurainun[2], Khairina AR[4]

Table 3 Simultaneous Test Results (F Test)
ANOVAa

Model	Sum of Squares		df	Mean Square	F	Sig.
1	Regression	77,065	3	25,688	5,668	.001b
	Residual	525,726	116	4,532		
	Total	602,792	119			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Online Customer Review, COD, Online Customer Rating

Source: Research Results, Data processed 2023

From Table 3, by looking at the testing criteria simultaneously, it can be seen from the F Test
with a significant value in the table of 0.001 > 0.05. And the Fcount value of 5,668 > 2.29 was obtained
by looking at a significance level of 5% and df2 = nk (120-4=116) and dfl = k-1 (4-5=1) obtained an
Ftable value of 2.29. so that the test results simultaneously show that the variables Online Customer
Rating (X1), Cash on Delivery (COD) Payment System (X2), Online Customer Review (X3) have a
positive and significant effect on Purchasing Decisions (Y), so hypothesis 4 (H4) accepted. The
coefficient of determination test aims to measure how far the model's ability to explain variations in the
dependent variable. The coefficient of determination value is between zero and one. A small R^2 value
indicates that the ability of the independent variables to explain the dependent variable is very limited.
The coefficient of determination value can be seen in Table 4 below:

Table 4 Coefficient of Determination Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.358a	,128	,105	2.12888

Source: Research Results, Data processed 2023

Based on table 4, it can be seen that the value of the Determination coefficient or R Square is 0.128
or 12%. This shows that the variables: Online Customer Rating (X1), Cash on Delivery (COD) Payment
System (X2), and Online Customer Review (X3) can explain the Purchase Decision variable by 12%, the
remaining 88% (100% - 12 %) is explained by other variables outside this research model.

3.2 Discussion
3.2.1 The Influence of Online Customer Rating (X1) on Purchasing Decisions (Y)
Based on the results of the multiple linear regression analysis carried out by the researcher, the t-
count value for the Online Customer Rating (X1) variable was obtained with a value of 0.930 < 1.658
which was greater than the t table value with a 95% confidence level (a = 5%) with a significant value of
0.354 < 0, 05. So the Online Customer Rating variable has a negative and significant effect on purchasing
decisions on the Bukalapak site. Then it can be seen that the coefficient of determination value obtained is
0.128. This means that the influence of the Online Customer Rating variable (X1) on the purchasing
decision variable (Y) is 12.8%, while the remaining 87.2% of the purchasing decision variable is
influenced by other variables. This is in accordance with research conducted by Hajati (2022) which
shows that the online customer rating variable has a significant effect on purchasing decisions.

**3.2.2 The Influence of the Cash on Delivery (COD) Payment System (X2) on Purchasing Decisions
(Y)**
Based on the results of the multiple linear regression analysis carried out by the researcher, the t-
count value for the Cash on Delivery (COD) Payment System variable (X2) was obtained with a value of
2.822 > 1.658 which is smaller than the ttable value with a 95% confidence level (a=5%) of significant
0.006 < 0.05. So the Cash on Delivery Payment System variable has a positive and significant effect on

purchasing decisions on the Bukalapak site. This is in accordance with research conducted by Pasaribu (2022) which shows that the cash on delivery payment system variable has a significant influence on purchasing decisions.

3.2.3 The Influence of Online Customer Reviews (X3) on Purchasing Decisions (Y)

Based on the results of the multiple linear regression analysis carried out by the researcher, the t-count value for the Online Customer Review (X3) variable was obtained with a value of (1.072) < 1.658 which was smaller than the t table value with a 95% confidence level (a = 5%) which was significantly 0.286 < 0.05. So the Online Customer Review variable has a negative and significant effect on purchasing decisions on the Bukalapak site. This is in accordance with research conducted by Sari (2021) which shows that online customer reviews have a significant influence on purchasing decisions.

4. CONCLUSION

The results of this research show that partially Online Customer Rating (X1) has a positive and significant influence on purchasing decisions on the Bukalapak site, here Online Customer Rating is very influential because it is a form of e-WOM where potential buyers can get information about sellers, namely by looking at The online customer rating used by Bukalapak is very important in improving purchasing decisions. The results of this research show that partially the Cash on Delivery (COD) Payment System (X2) has a positive and significant effect on purchasing decisions on the Bukalapak site, here the Cash on Delivery (COD) Payment System has an effect on purchasing decisions, because this payment system helps customers make payments directly after the customer receives the order delivered by the courier.

This service system really helps customers reduce existing risks. The results of this research show that partially Online Customer Review (X3) has a positive and significant influence on purchasing decisions on the Bukalapak site, here Online Customer Reviews have a big influence on purchasing decisions because it is a form of Electronic Word Of Mouth (e-WOM) where prospective buyers to get information about sellers, namely by looking at the Online Customer Reviews used by Bukalapak, are very important in improving purchasing decisions. It is hoped that Bukalapak admins and sellers will better understand what potential customers need. Service is the most important thing apart from quality products, customers will assess how good the service they get. Therefore, it is better to understand and be more thorough with whatever customers complain about. because comfort when shopping will influence customers' decisions to make purchases. For future researchers, it is hoped that they can continue or develop by adding other variables that can influence purchasing decisions.

THE EFFECT OF ONLINE CUSTOMER RATING, CASH ON DELIVERY PAYMENT SYSTEM, AND ONLINE CUSTOMER REVIEWS ON PURCHASING DECISIONS

Suci Mulyana[1], Nurainun[2], Khairina AR[4]

REFERENCES

Approach, S. (2016). pdf Research Methods For Business : A Skill-Building Approach Uma Sekaran, Roger Bougie - download pdf free CLICK HERE TO DOWNLOAD. Now And Bougie.

Ardianti, AN, & Widiartanto, MA (2019). The Influence of Online Customer Reviews and Online Customer Ratings on Purchasing Decisions through the Shopee Marketplace. Journal of Business Administration, 1–11.

Cheung, C. M. K., & Thadani, D. R. (2012). The impact of electronic word-of-mouth communication: A literature analysis and integrative model. Decision Support Systems, 54(1), 461–470. https://doi.org/10.1016/j.dss.2012.06.008

Dzulqarnain, I. (2019). THE INFLUENCE OF ONLINE CUSTOMER REVIEW FEATURES ON PRODUCT PURCHASE DECISIONS ON THE SHOPEE MARKETPLACE THESIS SUPPLIED
to fulfill one of the requirements for obtaining a Bachelor's degree in Business Administration. file:///C:/Users/ADMIN/Documents/Data Keny/SKRIPSI/jurnal orang/3897- 13035-1-Pratiwi arbani (pnlitian trdhl).pdf

Hair Jr., J.F., Gabriel, M.L.D. da S., & Patel, V.K. (2014). Modelagem de Equações Estruturais Baseada em Covariância (CB-SEM) com o AMOS: Orientações sobre a sua application como uma Ferramenta de Pesquisa de Marketing. Revista Brasileira de Marketing, 13(2), 44–55. https://doi.org/10.5585/remark.v13i2.2718

Hajati, DI (2022). The Influence of Cash On Delivery Services, Online Consumer Ratings and Reviews on Online Product Purchasing Decisions. ATRABIS: Journal of Business Administration (e-Journal), 8(2), 141–151. https://doi.org/10.38204/atrabis.v8i2.1092

Mayana, AN (2022). The Influence of Work Environment, Job Rotation, and Position Promotion on Employee Job Satisfaction at Pt Guna Abdi Wisesa. Journal, 13–45.http://ojs3.unpatti.ac.id/index.php/molluccamed

Mo, Z., Li, Y.-F., & Fan, P. (2015). Effect of Online Reviews on Consumer Purchase Behavior. Journal of Service Science and Management, 08(03), 419–424. https://doi.org/10.4236/jssm.2015.83043

Mudambi, S. M., & Schuff, D. (2010). What makes a helpful online review? A study of customer reviews on amazon.com. MIS Quarterly: Management Information Systems, 34(1), 185–200. https://doi.org/10.2307/20721420

Rofifah, S., Sirojuddin, A., Ma`arif, MA, & Mitra Zuana, MM (2021). The Influence of Organizational Culture and Work Motivation on Teacher Performance at the International

Standard School, Amanatul Ummah Mojokerto. Nidhomul Haq: Journal of Islamic Education Management, 6(1), 27–40. https://doi.org/10.31538/ndh.v6i1.899

Sari, FP (2021). The Influence of Online Customer Reviews and Online Customer Ratings on Online Purchasing Decisions in E-Commerce among UMSU Students. Economics and Business, 82. Simangunsong, R., Sihombing, RU, & Siregar, S. (2022). The Influence of Price Perceptions and the Tagline "Free Shipping" on Online Impulsive Buying Decisions among Shopee Application Users in Baribaniaek Village, Muara District. Journal of Social Sciences and *Political*, 2(2), 62–78.https://doi.org/10.51622/jispol.v2i2.1153