

Exploring the Influence of E-WOM and OCR on Purchasing Decisions at Shopee: Perspective of Islamic Economics

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Abstract

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*This research aims to discover how Electronic Word of Mouth (e-WOM) and Online Consumer Review (OCR) influence people's purchasing choices on Shopee.com. e-WOM and OCR are two other types of information that can help convince people to buy. This research uses primary data as the main source in quantitative methods. This group consisted of 227 respondents selected using the purposive sampling method. Questionnaires sent via Google Forms were used to collect data. Data were analyzed using hypothesis testing, classical hypothesis testing, and multiple linear regression analysis. This study found that e-WOM is significant and positively impacts purchasing choices. The calculated *t* value of 13.771 is higher than the *t* table value of 1.970611. This means that e-WOM influences the purchasing choices of students at the Faculty of Economics and Islamic Business, IAIN Kendari. There is a strong relationship between OCR and purchasing choices. The *t* value of 13.575 is higher than the *t* table value of 1.970611. This means that OCR also influences students' purchasing decisions at the Islamic Economics and Business Faculty of IAIN Kendari.*

Keyword: *Electronic Word of Mouth; Online Consumer review; Buying Decision*

INTRODUCTION

E-commerce and digital marketing are two new business concepts that have become the leading choice for carrying out goods transactions remotely using electronic media based on the World Wide Web. These two concepts reflect a paradigm shift in commerce, utilizing technology and the Internet to interact with customers, simplify transactions, and create new opportunities in the digital industry. Digital marketing, on the other hand, includes various marketing strategies that use digital tools and methods to expand target audiences and increase business visibility online (Wahyudiyono, 2017). E-commerce is currently developing very rapidly. Based on data from Statista Market Insights revealed by DataIndonesia.id (Mustajab, 2023), the number of online market or e-commerce users in Indonesia will reach 178.94 million people in 2022, which is an increase of 12.79% from 158.65 million users in the previous year. This trend of increasing the number of e-commerce users is expected to continue over the next four years and is projected to reach 244.67 million users in 2027. In addition, Bank Indonesia (BI) noted that the value of e-commerce transactions in Indonesia in 2022 reached IDR 476.3 trillion, an increase of 18.8% from 3.49 billion transactions in the previous year, which was worth IDR 401 trillion.

Electronic Word of Mouth (e-WOM) and Online Consumer Reviews (OCR) are two main strategies used to guarantee product purchases in e-commerce. Electronic Word of Mouth (e-

WOM) is a review or perspective, either positive or negative, provided by consumers who have used or are currently using a particular product or service. Individuals or institutions can access this information via the Internet. This evaluation is submitted by consumers who have shared their experiences with the product or company (Fina et al., 2023). In contrast, Online Consumer Reviews (OCR) are consumers' opinions, comments, or responses after using a product or service. This evaluation can usually be accessed through websites or platforms offering review services (Melati, 2020). Both strategies include product information, including quality and testimonials, product advantages and disadvantages, and sales services. Like word of mouth in the physical world, electronic word of mouth (e-WOM) exists in virtual communities and plays a vital role in consumers' daily activities. It is also used as a promotional tool by several organizations. Therefore, understanding how consumers adopt electronic word-of-mouth (e-WOM) promotion is crucial. Electronic word-of-mouth influences consumer purchasing behavior by exchanging customer opinions and experiences about products using social networking sites. Reviews or comments posted on the Internet by consumers and experts based on their personal experiences and evaluations can influence purchasing decisions. Factors such as the need for social interaction, economic incentives, and strengthening self-esteem have been identified as critical drivers of electronic word-of-mouth communication engagement.

Additionally, the credibility of online reviews has been shown to influence brand trust and purchase willingness from a customer's perspective. Electronic Word of Mouth (e-WOM) can be identified by utilizing the Online Consumer Review (OCR) feature in the Shopee application. This feature allows customers to discuss their previous experiences, which may be helpful to other potential buyers.

E-commerce has been the subject of various studies on Electronic Word of Mouth (e-WOM) and Online Consumer Review (OCR). One is research conducted by Al Fina Aini Rohmah, Ayis Crusma Fradani, and Ari Indriani (2023), who examined the Tokopedia market and found that e-WOM contributed to purchasing decisions. In addition, OCR analysis is applied to guarantee the quality of cosmetic and beauty products (Regina Dwi Amelia, 2021; Syah & Indriani, 2020). Research by Mela Kartika and Raden Lestari Ganarsih (2019) shows that consumer trust is increased through e-WOM analysis. The scope of Electronic Word of Mouth (e-WOM) and Online Consumer Review (OCR) research was previously limited to cosmetic and beauty products.

In contrast, the Tokopedia e-commerce platform was the focus of research conducted by Al Fina Aini Rohmah, Ayis Crusma Fradani, and Ari Indriani (2023), who emphasized the importance of e-WOM. In contrast to these studies, this research aims to conduct a more comprehensive study of the impact of e-WOM and OCR on the purchasing decisions of Shopee

e-commerce users, especially those who are active students at the Faculty of Islamic Economics and Business. The scope of this research is more than just cosmetics and beauty products.

METHODS

The descriptive methodology used in this research is quantitative because it allows presenting data in numerical form that can be quantified. The main goal of a quantitative approach is to evaluate the hypothesis that has been formulated, ensure correlation between variables, and present the results in statistical or numerical format (Alwahidin et al., 2023). The numerical data obtained will undergo a thorough analysis and verification process at the data analysis stage. The main source of primary research data is respondents' responses to questions. This research emphasizes two main factors: dependent variables related to purchasing decisions and independent variables related to Electronic Word of Mouth (e-WOM) and Online Consumer Reviews (OCR). This research aims to test and understand the relationship between independent and dependent variables in the context of purchasing decisions using this methodology. The population in this study was 1,349 people from the active student population of the Faculty of Economics and Islamic Business, Kendari State Islamic Institute (IAIN).

The nonprobability sampling method was used to conduct the sampling procedure (Syahrums & Salim, 2014). Nonprobability sampling does not guarantee that every element or member of the population is selected fairly as a sample. This sampling uses a purposive sampling procedure: selecting samples based on specific criteria. The results of the non-probability sampling techniques showed that the sample in this study consisted of 227 respondents. This research uses a questionnaire as a research instrument, giving respondents a questionnaire as a measuring tool to be evaluated using a Likert scale via Google Form. Data analysis in this study used multiple linear regression analysis. The hypotheses in this research include:

H1: Electronic word of mouth (e-WOM) positively and significantly affects purchasing decisions.

H2: Online consumer reviews (OCR) positively and significantly affect purchasing decisions.

RESULT AND DISCUSSIONS

Normality test

The normality test is carried out using the one-way Kolmogorov-Smirnov test or through graphical analysis. The test results are as follows:

Table 1 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		227
Normal Parameters ^b	Mean	,0000000
	Std. Deviation	2,68263076
Most Extreme Differences	Absolute	,050
	Positive	,038
	Negative	-,050
Test Statistic		,050
Asymp. Sig. (2-tailed)		,200 ^{c,d}

Source: SPSS Output Data

The results of the normality test using Kolmogorov Smirnov found that the data was normally distributed.

Multicollinearity Test

The basis for decision-making in the multicollinearity test is carried out in two ways: looking at the tolerance value and the VIF (Variance Inflation Factor) value.

Table 2. Multicollinearity Result

Variable	Tolerance	VIF
Electronic Word of Mouth (e-WOM) (X_1)	0.959	1.044
Online Consumer Review (OCR) (X_2)	0.959	1.043

Source: SPSS Output Data

Based on the test results above, it was found that the two variables, namely e-WOM and OCR, had VIF values < 10.00 . So, it can be concluded that multicollinearity does not occur.

Heteroscedasticity Test

Predicting whether there is heteroscedasticity in a model can be seen through scatterplot image patterns. The regression model that does not experience heteroscedasticity shows the following test results:

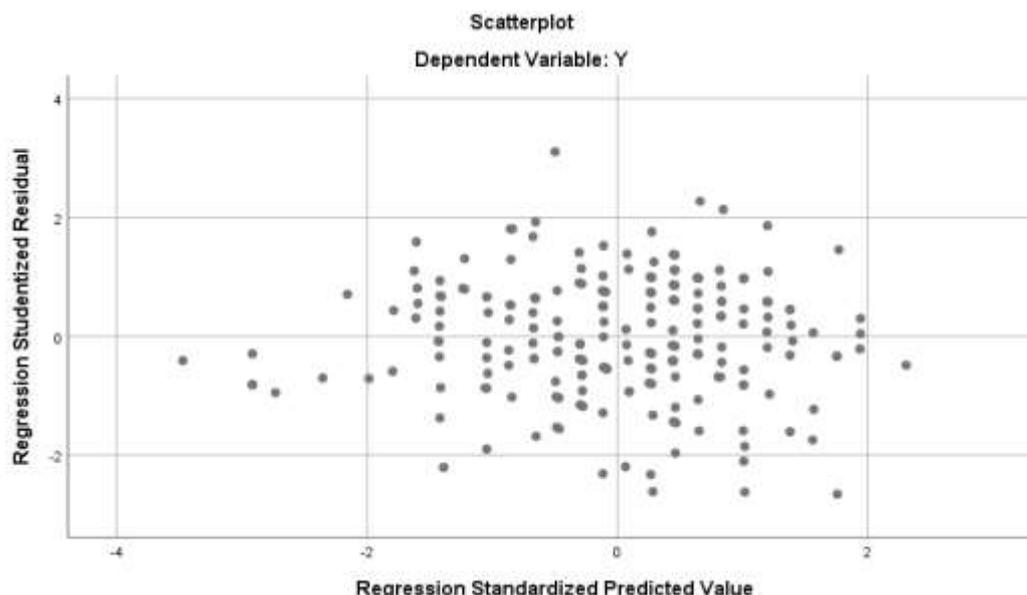


Figure 1. Heteroscedasticity Test Results
 Source: SPSS Output Data

From the picture above, it can be seen that heteroscedasticity does not occur. It can be seen that no pattern is formed in the image above.

Multiple Linear Regression Test

Multiple linear regression analysis on the data used in this research involved 227 respondents. The variables used consist of one dependent variable (purchasing decision) and two independent variables (e-WOM and OCR).

Table 3. Multiple Linear Regression Analysis

		Coefficients a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	11,328	1,540		7,354	,000
	Electronic Word of Mouth	,522	,038	,534	13,771	,000
	Online Consumer Review	,533	,039	,527	13,575	,000

a. Dependent Variable: Keputusan Pembelian

Source: SPSS Output Data

Based on the table above, the β value for the regression model in this study is obtained. The regression model formed is:

$$Y = 11,328 + 0,522X_1 + 0,533X_2 + e$$

Hypothesis Test (t-Test)

This test is used to test the partially significant influence of the independent variables, namely Electronic Word of Mouth (e-WOM) (X_1) and Online Consumer Review (OCR) (X_2), on the dependent variable, namely Purchase Decision (Y). This test aims to determine whether partially the Electronic Word of Mouth (e-WOM) (X_1) and Online Consumer Review (OCR) (X_2) variables have a significant influence on the Purchasing Decision variable (Y). From Table 3, it is obtained that:

Electronic Word of Mouth (e-WOM) (X_1) on Purchasing Decisions

The value of the Electronic Word of Mouth (e-WOM) variable (X_1) shows a T value of 13.771 with a significance level of 0.000. Because the Tcount value is greater than the Ttable value ($13.771 > 1.970611$), then H1 is accepted. Thus, the hypothesis states that Electronic Word of Mouth (X_1) has a partial and significant effect on Purchasing Decisions (Y) in Shopee e-commerce is accepted.

Online Consumer Review (OCR) (X_2) on Purchasing Decisions

The Online Consumer Review (OCR) variable value X_2 , shows a T value of 13.575 with a significance level of 0.000. Because the calculated t value is greater than the t table value ($13.575 > 1.970611$), H2 is accepted. Thus, the hypothesis that states that Online Consumer Review (OCR) (X_2) has a partial and significant effect on Purchasing Decisions (Y) in Shopee e-commerce is accepted.

The Influence of Electronic Word of Mouth (e-WOM) (X_1) on Purchasing Decisions

The results of this research show that the Electronic Word of Mouth (e-WOM) variable positively and significantly influences purchasing decisions at Shopee e-commerce. Based on the t-test, the significance level is smaller than 0.05, and the calculated t value is greater than the t table, proving that the hypothesis states that e-WOM has a positive and significant effect on purchasing decisions can be accepted. With a regression coefficient of 0.522, a one-unit increase in e-WOM will increase purchasing decisions, assuming other variables remain constant. Respondents' answers to the questionnaire distributed showed that respondents more often get the latest information about Shopee e-commerce through various social media platforms. This is due to the large amount of information that can be accessed on social media, such as testimonials from other consumers and positive comments, which can influence perceptions and purchasing decisions. Respondents can better understand the product or service and build trust in the brand by engaging in various social networking sites. Thanks to the many positive testimonials and easy access to information, consumers are increasingly confident in making purchasing decisions. As a result, their purchasing activity is likely to be supported, as their browsing behavior is likely to be positively influenced. Findings suggest that customer reviews are essential in shaping consumers' purchase intentions. Consumers often look for reviews from previous buyers to gauge the quality of products and services before purchasing. Positive online reviews can increase consumer trust and confidence, resulting in a higher likelihood of purchase. Therefore, companies should focus on encouraging and managing positive online reviews, as they can significantly impact consumer behavior and ultimately drive sales. Shopee's efficient service and delivery and its wide range of products were also cited as critical factors influencing consumer purchasing decisions. Consumers value convenience and accessibility when shopping online, and Shopee's ability to meet these needs can increase customer satisfaction and loyalty.

Additionally, the platform's emphasis on security and privacy has helped build consumer trust, which is critical in online transactions. These findings suggest that e-commerce platforms like Shopee can significantly influence consumer behavior and purchasing decisions through a combination of factors, including social media presence, customer reviews, service quality, and security. The results of this research are in line with the results of research conducted by Al Fina Aini Rohmah, Ayis Crusma, and Ari Indriani (2023) with the title "The Influence of Electronic Word of Mouth (E-WOM) on Purchasing Decisions on the Tokopedia Marketplace (Study of IKIP Economic Education Students PGRI Bojonegoro)" proves that electronic word of mouth (e-WOM) has a positive and significant influence on purchasing decisions.

The Influence of Online Consumer Reviews (OCR) (X_2) on Purchasing Decisions

The second hypothesis of this research states that the Online Consumer Review (OCR) variable has a positive and significant influence on the purchasing decisions of Shopee e-commerce users. The OCR variable has t-test results with a significance level of 0.000 less than 0.05 ($0.000 < 0.05$), as shown by the research results. Apart from that, the calculated t value of 13.527 is greater than the t table value of 1.970611 ($13.527 > 1.970611$). Therefore, the hypothesis that "Online Consumer Reviews (OCR) has a positive and significant effect on purchasing decisions" is proven effective. The positive OCR regression coefficient is 0.533. This implies that purchasing decisions will increase with each unit increase in OCR, provided other variables remain constant. Therefore, it can be said that OCR partially influences the purchasing decisions of Shopee e-commerce users. With increasing OCR, the number of purchasing decisions on Shopee e-commerce will also increase. Respondents' answers to this variable show that respondents are more confident and feel more comfortable shopping at online stores with many OCR reviews. This is because respondents consider this information to be beneficial. People thinking about buying something usually read reviews written by others who have bought the same item. Their trust in the reviews is strengthened because helpful and informative images and videos often accompany them. Reviews that are complete and thorough and include images and videos can help prevent people from abandoning their online shopping carts. People are more confident in their choices because they can access more complete and accurate information about the goods or services they want. Having lots of OCR builds trust and gives people thinking about buying something a powerful tool to help them make better choices. Consumers rely heavily on online reviews to gain information, validate their decisions, and make choices based on other people's experiences. One of the main reasons online reviews have become so crucial in e-commerce is consumers' increasing reliance on social proof. Social proof is a psychological phenomenon in which people rely on the behavior and opinions of others to guide their actions, particularly in uncertain situations. Online reviews act as social proof, giving consumers reassurance and confidence in purchasing decisions. By reading the experiences and opinions of fellow consumers, potential buyers can reduce uncertainty, mitigate risks, and make more confident choices. OCR is often more trusted than traditional media, similar to personal recommendations from friends and family. This online orientation phenomenon can significantly influence consumer behavior because easily accessible information can influence their consumption decisions. Factors such as the desire for social interaction, economic incentives, concern for other consumers, and the potential to increase self-esteem motivate consumers to read and write online reviews, which can aid decision-making.

CONCLUSION

The Electronic Word of Mouth (e-WOM) variable positively and significantly influences purchasing decisions on Shopee e-commerce. Based on the t-test, the significance level is smaller than 0.05, and the calculated t value is greater than the t table, proving that the hypothesis -WOM has a positive and significant effect on purchasing decisions and can be accepted. With a regression coefficient of 0.522, a one-unit increase in e-WOM will increase purchasing decisions, assuming other variables remain constant.

The Online Consumer Review (OCR) variable has a positive and significant influence on the purchasing decisions of Shopee e-commerce users. The OCR variable has t-test results with a significance level of 0.000, less than 0.05. Apart from that, the calculated t value is greater than the table t value. Therefore, the hypothesis that "Online Consumer Reviews (OCR) has a positive and significant effect on purchasing decisions" is proven effective. This implies that purchasing decisions will increase with each unit increase in OCR, provided other variables remain constant. Therefore, it can be said that OCR partially influences the purchasing decisions of Shopee e-commerce users.

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