The Effect of Online Consumer Riview on the Intention of Buying Products on Social Commerce

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Abstract

E-commerce is one form of evolution business models that adopt Web 2.0 technology with the aim of increasing consumer participation and gaining economic value (greater economic value) .This study aims to conduct confirmatory research on the relationship between social trade construction, online consumer review, trust and intention to buy through a questionnaire survey done to e-commerce users, especially students at Pekalongam IAIN using the purposive sampling method . The results of the collected questionnaires are then analyzed quantitatively using partial least square (PLS) . From the analysis and quantitative testing that can be done It was concluded that online consumer review does not have a direct influence on the intention to buy, but construction of trade has a direct influence on the buyer's trust and it is known that trust has a direct influence on the intention to buy..

Keywords: e-commerce, social commerce, online consumer review, trust, intention to buy.

1. Introduction

In this globalization era, the business world has entered a very tight competition . This competition arises along with the rapid development of technology that continues to grow. The current economy is based on a digital revolution and information management, where the internet network facilitates the interaction of consumers and business people. The existence of any internet network can be done either just looking for information or running a business [1].

Based on observations from the Menkominfo, internet usage in Indonesia is the 6th largest user in the world. After the internet started growing use of the Internet not only as a medium of information or communication media, the Internet has become a medium that makes a creative innovative in mncipt a right of a site-to-site and selling it online which is where the sellers and buyers ofgoods simply by using the site buying and selling can make transactions even without meeting face to face [2] [3].

In Indonesia, there are so many e-commerce companies that enter and conduct online commerce, Liputan6.com reports, there are 10 online e-commerce buying and selling sites in Indonesia, including: Lazada.co.id, Blibli.com, Tokopedia. com, Elevenia.co.id, Mataharimall.com, Shopee.co.id, Bukalapak.com, Zalora.co.id, Qoo10.co.id, Belanja.com [4]. Consumer behavior in buying products or services in e-commerce will see reviews from other people before deciding to buy the product or service, they do not trust the product knowledge provided by the marketer. In consumption patterns, consumers buy products after reading reviews given by others on the internet or user generated content (UGC) [5]. Reviews that are user generated content are referred to as online consumer reviews [6]. online consumer review (OCR), as one type of electronic word of mouth (e-WOM), provides information about products and recommendations from a consumer perspective]. OCR is important for consumers to make online purchases. When consumers cannot judge a product personally, they often rely on OCR (Yayli, 2009). According to a recent survey of opinion from the Research Corporation, nearly 61% of respondents said they saw online reviews, blogs, and other online information before purchasing new products or services [8].

Trust is a challenging problem of e-commerce for consumers [9]. Trust can now be supported by social trade as social commerce including consumer social interactions, which can increase the level of trust [10]. Distrust will form a failure of good relationships between consumers and companies [7]. Therefore, trust needs to be considered as an important aspect of e-commerce.

Based on the explanation above, this study aims to analyze further about: (1) Does Consumer Riview affect consumer trust and their purchase decision? (2) Does trust affect decision purchases on social commerce?

1.1. Literature Review and Theoretical Framework

a. E-commerce to Social commerce

The internet offers the opportunity to sell products of daily necessities directly to customers who are in the consumer market or consumers in the business market. Direct selling of goods or services (direct selling) through the internet is called e-commerce. E-commerce is one form of evolution business models that adopt Web 2.0 technology with the aim of increasing consumer participation and gaining economic value (greater economic value) [11] . The key factors that affect the performance of the e-commerce platform are consists of usability, information quality, website quality, and playfulness . With the development of social media technology and web 2.0, provide a great opportunity to change the e-commerce business model from product-oriented environment to social and customer-oriented [17].Stephen & Toubia said that the e-commerce environment is utilizing web 2.0 has changed market power from company to consumer. More Furthermore, nowadays consumers are becoming increasingly demanding with the presence of online services and applications to be able to interact more socially and interactive . The development of technology is what then encourages the emergence of a new initiative known as social commerce .

Social commerce is a combination of e-commerce and web 2.0 . Social commerce it itself is a multi-disciplines term , including marketing, science computer, sociology, and psychology .Research previously mentioned that social media or web 2.0 is a marketing tool assist in the decision making process and consumer shopping behavior . From this explanation, social e-commerce can be defined as a web-based online application 2.0 that supports interaction and communication collaborative, so that it can help consumers in the decision making process to buy goods and services online . Generally, the difference between e-commerce and social commerce lies in business goals, relationships between consumers, and systems of interaction . In perspective organizational goals, e-commerce aims to maximize efficiency with strategies such as oneclick buying , product search, product recommendation and online catalogs so that it can be known consumer online behavior. Whereas seen from relationship between consumers, e-commerce provides a platform that is independent and individual for one consumer, while social commerce allows interaction and communication between one consumer and consumers others. Finally, in terms of system interaction, e-commerce is a platform that provides one-way communication, where information from one person consumer are rarely distributed to other consumers. Whereas social commerce adopts a social and interactive approach that allows one consumers share shopping experiences with other consumers.

b. Consumer Review

Online Consumer Review (OCR) provides confirmation about products and recommendations from the perspective of consumers [12]. However, there are two the difference between Online Consumer review (OCR) and Word of Mouth (WOM). First, the influence of traditional WOM is limited between local social networks [13]. While the impact of OCR can reach far more than the local community because consumers from all over the world can access OCR through the internet, it is more appropriate to be associated with e-WOM. OCR can be decided by the seller, when and whether the seller will provide it to consumers on their website. Sellers can provide consumers with choices to provide their reviews about product.

PJ Sher and S. Lee (2009) in their research propose an online review system to be one of the most influential communication channels, because online consumers can

get information related to their products and sellers. JA Chevalier and Mayzilin (2006) state that these characteristics have made online review an important factor affecting sales volume and business growth.

Various studies (Dellarocas et al., 2006; Houser and Wooders, 2006; Menlik and Alm, 2002) state that buyers seriously consider online review feedback when making purchasing decisions. In addition, Goldenberg et al., 2001, shows that decision making is strongly influenced by e-WOM. Online Reviews shape consumer attitudes towards a product that directly affects sales [14]. Information provided by online review communities influences consumer perceptions, preferences, and decisions far more than information provided by companies [15].

c. **Trust**

Trust consumers are essentially is a form of consumer support for efforts to get everything something desired, through trust a consumer will provide support related to the purchase decision that will set.

There are two dimensions of trust consumers, namely : Trusting belief, relating to beliefs consumers to the store online with three things can build confidence, that is benevolence (good intention), Integrity, Competence. Trusting intention that is the gap of individual consumers who depend on others in certain situations. There are two elements, namely Willingness to depend and subjective probability of depending. Trust is a very important element in online marketing . Furthermore, Mohmed et al . (2013) stated that trust is an important attribute that must be adopted to in e-commerce applications . This is important, considering all online transaction processes are carried out without face to face and rely on the service system which must be trusted so that all processes mutually beneficial transactions can continue goes well. Kim et al. (2008) states that trust is a process cumulative that develops during interaction satisfying repeatedly between customers with the seller. Satisfaction from past transactions provide confidence for customers to can continue to buy back online at a vendor. Mayer, et al. (2007) define trusts as the willingness of a party to cooperate with other parties based on that expectation the acquisition can be mutually beneficial. This definition states that thetrust includes willingness to cooperate between two parties based on mutual expectations profitable.

Meanwhile the understanding of other trusts according to Mowen and Minor (2002), trust is consumer confidence in the vendor based on the process of knowledge, benefits and his experience in collaboration. On this understanding, specifically the trust is related to the existence knowledge, benefits and customer experience towards a vendor. Another opinion was stated by Barnes (2003) which revealed that trust is someone's belief that he will get the desired thing according to that he expected. In this case the trust is related with the desire of someone to obtain a behavior as expected from the parties others who deal with him.

d. **Intentions to Buy**

According to [16] states that mi n at is a plan to engage in a specific behavior in order to achieve the goal. According to (Simamora, 2002: 131) interest is something personal and related to attitude. Individuals who are interested in an object will have the strength or encouragement to do a series of behaviors to approach or obtain the object. According to [17], interest is a plan or it seems someone will behave in certain situations in a certain way whether someone does it or not. Interest is one of the psychological factors that has a considerable influence on attitudes and behavioral interests is also a source of motivation that directs someone to carry out an activity or action (Schifman and Kanuk, 2007: 228). Intention to buy is also defined as a statement related to the mind that reflects the plan of the buyer to buy a particular brand in a certain period of time and is interested in the object as a result of exploration and is the underlying cause of why people shop and adapt to individual pleasure , better understanding of buying motives leads to retailers to understand and can predict consumer buying behavior.

Social commerce intention is a how to know how to anticipate the possibility of consumers doing something action. The goal to pay attention to social commerce intention is to benefit fromcommunity and social networks. One study says ' itention to use' is used as a result of an investigation of the theory of reasoned action , the theory

of technology acceptance models & the theory of planned behavior . Consumers are recommended to use various types of applications to increase social interaction, which consists of friend recommendations, customer reviews , communication, and writing and rating reviews . The purpose of these interactions is so that collaboration can be created that can assist in determining the decision to buy online goods through community experience other online .
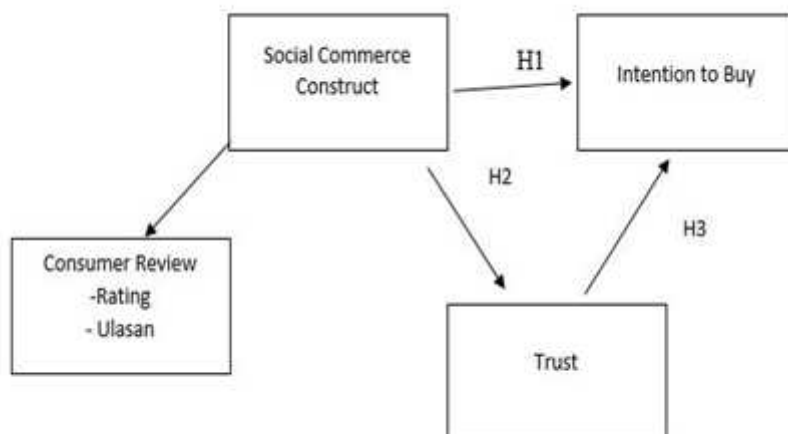

Figure 1. Research Framework

2. Research methods

Broadly speaking, this study aims to analyze the behavior of consumers to buy goods and services online through social networking sites as information media. This study uses a research framework illustrated in Figure 1. Model The hypothesis used consists of three components, namely, Social Commerce Construct, Trust and Intention to Buy. The Social Commerce Construction component consists of Consumer Reviews.

2.1. Research Hypothesis

A. Social Trade Construction

In social trade, with the help of web 2.0 and social media technology, there are online consumer review facilities that allow customers to see reviews in the form of reviews, recommendations and ratings of other consumers so that they help other consumers in the decision making process to buy.

Based on this explanation, the hypothesis can be made as follows : H1. The construction of social trade in the form of Online Consumer Review has a direct influence on users to buy intentions. Information and experience of one's shopping that leads to trust in information and the experience is expected to be channeled to other people in an online community . More further explained that prospective buyers can trust the security of the online environment if everyone in the environment can be trusted. With the review, it will increase the satisfaction of users when they make transactions. Especially if the review is positive it will have a strong influence on the formation of trust (Ba and Pavlou, 2002). So that it can be concluded that online consumer reviews affect other consumer trust and intention to buy. Based on this explanation, the hypothesis can be made as follows : H2. Construction of social trade has a direct influence on user trust.

B. Trust

Trust is a very important element in online marketing . Furthermore, Mohmed et al . (2013) stated that trust is an important attribute that must be adopted to in e-commerce applications .This is important, considering all online transaction processes are carried

out without face to face and rely on the service system which must be trusted so that all processes mutually beneficial transactions can continue going well . Trust has a mediating position in an electronic market (Ba and Pavlou, 2002) and in the proposed model has a mediating role. This is mainly due to the trust that has a major influence on the success of e-commerce (Ming-Hsien et al., 2009) and must have the same influence in social trade. In addition, it has been confirmed that trust has a significant role in increasing intention to buy (Lu et al., 2010; Shin, 2010). Based on this explanation, the hypothesis can be made as follows : H3. Trust has a direct influence on the intention to buy.

2.2. Sample and Population Research

The population in this study were all users of social networking sites in Indonesia, especially students . User at here includes everyone who has accessed / use e-commerce sites suchdetention Shoppee online store, Open Stalls, Tokopedia, etc. good for the purpose of buying goods, comparing prices, or just looking for information. If just know but never before access, it is not included in population. For the sample in this study are 100 students in IAIN Pekalo n gan. The number of samples recommended in conducting research with PLS techniques is at least 30. In a period of about one week of data collection questionnaire obtained samples for e-commerce as much as 100. This amount is sufficient for further processed using techniques PLS.

A. Research Instrument

Quantitaive data is obtained by distributing questionnaires to respondent, namely Pekalongan IAIN student, who have accesed e-commerce. Questionnaire questions were made with using a Likert scale by referring to the Hajli research .

B. Data   analysis

From the results of the collected questionnaire, the author then do the analysis to the questionnaire data using PLS method. PLS is one method of data analysis which is quite popular among field researchers information Systems. This method is a method regression based data analysis, which can be used to analyze data with conditions that are not normal.

3. Results and Discussion

3.1. Model Measurement

The approach to analyzing data is with evaluate the measurement model for structural evaluation models. Evaluation measurement model is intended to evaluate reliability and validity , whilestructural model evaluations are conducted to evaluate research hypotheses and fitness models. Data analysis was performed using PLS techniques and using the help of SmartPLS applications.

The validity test conducted includes convergent validity and discriminant validity tests . The convergent validity test is a test for what indicators indeed it can explain a variable by looking at thefactor loading. If factor loading is below 0.5 so the indicator is not can explain existing variables. Test discriminant validity is a test to find uniqueness every variable, where is this the opposite ofconvergent test. If the test converges to mencar i uniqueness each variable, where this is the opposite convergent test. If the test is convergent to search closeness of relationship then discriminant test for looking for how big different variable.

In the structural model test using PLS, the results of the hypothesis are obtained as below: H1. The construction of social trade in the form of Online Consumer Review does not have a direct influence on users to purchase intentions. This research is not prove that the existence of online consumer reviews influences users to buy intentions. review and recommendations from other people (friends) on e-commerce cannot be someone's main reference in buying products onlinethrough social commerce. This is because there is still doubt the truth and credibility of the review or recommendations given by others. What's more with allows someone to create a fake account, so not yet of course recommendations and reviews given by other people are right. There is a possibility of a review given by others aims to attract the buyer, even though it might be the reviewer never bought the item so not in accordance with the original. In addition, a review or recommendation is also possible dropped the credibility of the sellers a social commerce business , considering the current business competition is getting

tougher.

H2. Construction of social trade has a direct influence on user trust. This research proving that with the construction of social trade affects users to buy intentions. In this case, of course, becausein the construction of social trade facilitates interaction between customers through the development of Web 2.0 technology. on Palatform, consumers feel closer to each other and encourage each other to participate a lot. So that it helps increase customer trust.

H3. Trust has a direct influence on the intention to buy. This research prove that Trust has a direct influence on the intention to buy. Thing shows that the greater one's trust in an online vendorencourages one's intentions to buy online and help retain consumers .

4. Conclusion

Of the variables that were invaded, i.e. online consumer review, trust and intention to buy, known that the social trade construction factor in the form of online consumer reviews does not havedirect influence and significantly to the intention to purchase through various e-commerce sites. In this study it is known that the construction of social trade has a direct influence on user trust. And with the trust will affect the intention to buy, so Trust has a direct influence on the intention to buy.

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