

Effect of Online Review on Product Sales: Study on Shopee Mall Fashion Brand


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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received Mret 02, 2022 Revised Maret 13, 2022 Accepted April 01, 2022</p> <p>Keywords:</p> <p>Online Review Rating Product Sales</p>	<p>The development of the internet massively affects business sector, including e-commerce. The advancement of e-commerce has given rise to a marketplace where sellers and buyers meet online, one of which is Shopee. This study aims to analyze the effect of online reviews with rating attributes, comments and photos on product sales at Shopee Mall. The sample consists of 200 brands/stores registered at Shopee Mall. Secondary data obtained from ratings, comments, photos and sales of each brand/store at Shopee Mall was analyze using multiple regression. The results showed that online reviews and their attributes, namely ratings, comments and photos, had an influence and were able to increase sales of fashion products at Shopee Mall.</p>

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1. INTRODUCTION

The development of information technology through the internet has progressed so that it affects all aspects of life, including the business and economic sectors. The internet facilitates transactions and encourages the development of trade through cyberspace, known as e-commerce. The transactions offered in e-commerce also include a variety of products and services, making it easier for buyers without having to meet face-to-face with the seller. In Indonesia, e-commerce users reach 15.08 percent with a transaction value of 300 million to 50 billion rupiah each (Central Bureau of Statistics, 2019). The most in-demand products are fashion products, which amounted to 4.79 dollars in 2019, which grew about 54% from the previous year (wearesocial.com, 2020). The high growth of e-commerce has changed the concept of traditional markets as a place where sellers and buyers physically meet into online transactions through a platform called a marketplace.

Marketplace is a meeting place for sellers and buyers who carry out transactions without having to meet physically, making it easier for every individual who wants to buy and sell via the internet. In Indonesia, there are marketplaces with various brands that facilitate users in transacting online, including Shopee, Tokopedia, Bukalapak and Lazada. Based on the number of visits and its high popularity, Shopee is the most popular marketplace with 71 million visitors per month, while Tokopedia, Bukalapak and Lazada only reach the range of 17 to 69 million monthly visitors (Iprice,

2020). Transactions at Shopee also increased, starting from the previous quarter of 55 million in the third quarter of 2019 to 72 million in the final quarter of 2019 (Iprice, 2020). Based on the increase in transactions, especially in the field of e-commerce, especially fashion products and the increase in shopping visits at the popular marketplace in Indonesia, namely Shopee; it is necessary to study the factors that encourage the high interest of the public to shop in the marketplace.

Factors that encourage online buying behavior include the perception of the convenience and benefits provided during transactions, giving rise to buying attitudes and behavior (Sarika et al., 2016). The availability of internet access and the many sources of information through digital literacy also encourage an increase in internet users who conduct online transactions (Reyes-Mercado et al., 2017). However, the convenience provided does not only make users decide to make purchases online because of the risks posed by non-face-to-face transactions (Lim et al., 2016). Trust is a determining factor whether shopping done online can be safety (Suleman et al., 2019). Therefore, there needs to be a means that can increase trust and provide support for the perception of the ease and benefits of online transactions, namely through online reviews provided by other buyers (Casaló et al., 2015).

Online reviews on the marketplace are a means of adopting information in increasing consumer understanding of the pros and cons of the product to be purchase (Rahman & Mannan, 2018). The reviews given to consumers become a consideration for how consumers consider the products purchased because of the credibility of the information provided by other consumers in one product (Roy et al., 2017). Perceptions of ease and convenience in conducting transactions are not enough because they are vulnerable to differences in perceptions between buyers and sellers, so online reviews from other consumers are need to provide an understanding of the reputation of sellers who offer their products in a marketplace (Muda et al., 2016). Thus, it is necessary to study further, what online reviews are consider by buyers and are consider to convincing enough to encourage buying behavior by consumers.

Online reviews also have attributes to support the quality of the information provided. The quality of an online review can be review in terms of the comments given and the presence of supporting photos so that it is more convincing for buyers to choose the desired product (Liu & Park, 2015). Comments in an in-depth online review are able to show how high the involvement of consumers in making product purchases online is so that the credibility of the resulting information can be accounted for (Cheung et al., 2014). In addition, the credibility of the online review will be better if you add supporting photos as part of the product evaluation that will ultimately be able to encourage purchasing decisions (Lee & Shin, 2014). A credible online review is able to encourage consumer interest in making a purchase because of the perceived value of the offered product.

2. RESEARCH METHOD

This study examines online reviews and their impact on sales of fashion products registered at Shopee Mall. The sampling technique used is the survey method, which is taking the overall sample from the total population, namely all fashion stores/brands registered at Shopee Mall. Based on the survey results, there are about 200 fashion brands, both men and women, registered at Shopee Mall, so the sample in this study is 200 stores/brands.

The type of data used is secondary data consisting of the number of ratings or buyer ratings, comments on each product and photos included in the product review section. In addition, product sales data obtained in every fashion store/brand in Shopee Mall. The reason for choosing Shopee as the object of research because its popularity on the Google Playstore which is ranked 1 and the number of visitors is the largest compared to other marketplace platforms (Iprice, 2020). The operation of each variable is as follows:

- a. Rating (X1) is measured from the number of each review from 1 to 5 stars with the following formula: $R = (R5*5) + (R4*4) + (R3*3) + (R2*2) + (R1*1)$. Description: R: Rating.
- b. Comments (X2) measured from each comment given on each product offered. The number of comments adjusted to the number of products that are the object of research, namely the top 5 products in each fashion store/brand at Shopee Mall.

- c. Photos (X3) measured from each photo upload that comes from consumer reviews after buying the product. The number of photos listed is in accordance with the number of products that are the object of research, namely the top 5 products in each fashion store/brand at Shopee Mall.
- d. Sales (Y) is measured by the total sales of the 5 best-selling products in each fashion store/brand at Shopee Mall.

The analytical tool used is descriptive analysis to find out how the level of data distribution and standard deviation of each variable. Inferential analysis with multiple regression also used as a hypothesis test to determine the effect simultaneously through F and partially through t test.

3. RESULTS AND DISCUSSIONS

The results of the regression analysis shown through the hypothesis test of the F test and t test in table 2 below:

Table 1
Hypotesis Testing Results

Variable	Coefficient	t-test	F-test
Constant	0,632	-	0.0000
Rating (X1)	0,104	0,034	
Comments (X2)	0,710	0,000	
Photos (X3)	0,161	0,016	

The results of hypothesis testing explained as follows:

1. Rating through t-test has a significance value of $0.034 < 0.05$ with a coefficient value of 0.104 which indicates that the higher the buyer's evaluation among to the products offered will increase sales by 0.104. In conclusion, H1 is accepted. Rating has an influence on product sales.
2. Comments through the t-test have a significance value of $0.000 < 0.05$ with a coefficient value of 0.710 that indicates that the higher the buyer's comments among to the products the product, the sales will increase by 0.710. In conclusion, H2 is accepted. Comments have an influence on product sales.
3. Photos through the t-test have a significance value of $0.016 < 0.05$ with a coefficient value of 0.161 which indicates that the higher the photo provided by the buyer after making a purchase, the sales will increase by 0.161. In conclusion, H3 is accepted. Photos have an influence on product sales.
4. Ratings, Comments and Photos through the F-Test together have a significance value of $0.000 < 0.05$, in addition, when added up through the results of the equation $Y=0.632+0.104+0.710+0.161$, namely $Y=1.601$, which means an online review consisting of from Ratings, Comments and Photos were able to increase sales by 1,601. In conclusion, H4 received online reviews in the form of ratings, comments and photos as a whole have an influence on product sales.

The results show that online reviews and their attributes are able to increase product sales at Shopee Mall, namely the higher the rating obtained and the additional comments and photos after purchasing the product by the previous consumer, the sales will increase. Recommendations from other consumers in the form of online reviews and ratings play a role in improving the buying process in consumers (Kotler & Keller, 2015). Online reviews are one of the factors that can attract consumer-buying interest, especially in online stores (Sethi et al., 2018). However, it should be note that the online reviews produced must be positive because if consumers give negative assessments, it will tend to reduce consumer considerations in making purchases (Jia & Liu, 2018). Online reviews are a form of consumer trust when they make purchases online so that they tend to make decisions to make purchases (Furner & Zinko, 2017). Thus, an online review has an important role in increasing or decreasing sales at an online store, in this case a fashion store/brand at Shopee Mall.

The results show that the rating obtained from the accumulated value of previous positive consumer reviews then becomes a number that shows the good reputation of an online store at

Shopee Mall, so sales will increase. An online review has the power to influence consumers through the term valence so that the impulse to make an online purchase will increase if an online review has a positive valence (Weisstein et al., 2017). The scheme in the rating shows the credibility of a business actor who conducts online transactions (Casaló et al., 2015). The results also show that positive comments also show a significant role for the increase in online sales. The greater the involvement of consumers in commenting on a product that sold online, the reputation and credibility of the store will increase so that it can encourage purchases made by other consumers (Cheung et al., 2014). Arguments in an online review are sometimes able to encourage consumer confidence in making purchases to increase the valence in making purchases (Reimer & Benkenstein, 2016). The use of photos in every product that purchased can result in increased sales. The existence of photos in an online review shows a quality review that is able to attract consumer interest in buying a product online (Lee & Shin, 2014). Photos in a product sold online become a seller's reputational identity so that its credibility is a consideration in making a purchase (Liu & Park, 2015).

4. CONCLUSION

The conclusion of the study is that online reviews have an influence in increasing product sales at Shopee Mall. The online review attribute in the form of a rating that accumulated from all previous consumer ratings is able to increase sales significantly. The comments and photo attributes also have an important role in increasing product sales at Shopee Mall, especially stores/brands that sell fashion products online. However, this study also has limitations including not examining the trust given by consumers as a factor that drives the creation of an online store's reputation so that in the future it is necessary to study further about the relationship between online reviews and the level of consumer trust in a marketplace. In addition, the depth of content and the quality level of an online review need to be investigated further in order to show how much the quality of content in the form of comments or photos provided by consumers can have an impact on increasing sales and purchasing behavior by other consumers.

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