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Research Paper

The Influence of Product Reviews on Purchasing Decisions for Scarlett Whitening Body Lotion on Sociolla E-commerce, Mediated by Price

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Abstract

This study aims to determine the influence of price and product reviews on purchasing decisions for Scarlett Whitening Body Lotion on E-Commerce Sociolla, which is mediated by price. This research uses a questionnaire technique and is distributed to respondents. The population in this research was women aged 20 - 39 years who lived in Jatiwaringin Village, Bekasi City, totalling 7,469 people and a sample of 380 people was obtained. Then, the data processing uses GMA. The results of this research show that based on Hypothesis Testing (T-Statistics and P-Value), Product Price has a positive and significant effect on the Decision to Purchase Scarlett Whitening Body Lotion at Sociolla E-Commerce; Product reviews have a positive and significant influence on purchasing decisions for Scarlett Whitening Body Lotion on E-Commerce Sociolla; and Product Reviews have a positive and significant influence on the Purchase Decision for Scarlett Whitening Body Lotion on E-Commerce Sociolla which is mediated by price.

Keywords *Price, Product Reviews, Product Quality, Repurchase Intention, Scarlett Whitening*

INTRODUCTION

In the current era of globalization, Indonesia is experiencing various developments in various aspects, including skin and body health. Skin and body care, or skincare and body care, is becoming popular, especially among women (Rosyida, 2022). Scarlett Whitening is a local beauty product company owned by artist Felicya Angelista, which started in 2017. Scarlett Whitening has no direct store and only markets its products online. The ease of distribution channels is also encouraged by sales channels via e-commerce; this distribution pattern has become a stimulus for the birth of new players in the beauty industry.

Table 1. Visitor Data E-Commerce Year 2022 Quartal 2

No	Merchant	Monthly Web Visit
1	Tokopedia	158,640,667
2	Shopee	131,296,667
3	Lazada	26,640,000
4	Bukalapak	21,303,000
5	Blibli	19,736,667
6	Orami	16,176,667
7	Ralali	10,830,000
8	Zalora	2,990,000
9	Klik Indomaret	2,846,667
10	JD.ID	2,343,333
11	Sociolla	1,426,667

Source: iPrice

Based on data released by iPrice in 2022, e-commerce from various industries is displayed. Tokopedia ranks first in Indonesian e-commerce websites in terms of visitors in 2022, while Sociolla is still in 11th place in e-commerce, which is frequently visited in Indonesia. Sociolla is a new participant in e-commerce and managed to get 1,426,667 visitors in 2022. Sociolla is a beauty e-commerce company that sells beauty products, make-up, cosmetics, perfume, skincare and body care. Scarlett Whitening, as a producer, makes Sociolla a marketing platform.

According to research by Ghassani and Suryoko (2017), One of the factors that influences the tendency to make repeat purchases is product price. The more suitable or appropriate the price offered, the possibility of making a repeat purchase will increase. The prices offered for Scarlett whitening products vary greatly on each e-commerce site. Based on research through several e-commerce conducted by the author, the average price of body cream products offered by Scarlett Whitening in online stores is around IDR 75,000 but in the Sociolla online store, Scarlett's body lotion has a higher retail price, namely IDR 82,500.

At the same time, customer product ratings are often considered when purchasing in the market. According to Ardianto et al. (2020), Product reviews are reviews written by buyers about items they purchased on online shopping platforms. Scarlett Whitening markets its products online so that consumers cannot try, taste or smell them in stores and, therefore, uses technology as a source of product information. Customers can write down their impressions about the product after purchasing. There are several reviews regarding the Scarlett Whitening Body Lotion product at Sociolla who are dissatisfied with the product. These product reviews can be a consideration for customers in determining their interest in repurchasing the product (Ardianto et al., 2020).

LITERATURE REVIEW
Marketing Management
According to Kotler and Armstrong (Wibowo, 2019), Marketing is a social and managerial mechanism that enables individuals and groups to get what they want by creating and reciprocally exchanging products and value with other people. Meanwhile, according to Keegan and Green (2014), marketing management is the scientific discipline and art of determining target markets and working to build, retain, and develop customers through creating, delivering, and communicating superior customer value. In conclusion, from the experts' definitions above, marketing management is the art and science of analyzing and implementing social processes that enable people to get what they want.

Repurchase Interest
According to Tjiptono (2015), repurchase interest has a different meaning than loyalty because loyalty describes a psychological attachment to a particular brand or product, whereas repurchase interest simply refers to making multiple purchases from the same brand. According to Kotler and Keller (2019) (in Humairoh et al., 2023), repeat purchases occur when a consumer is satisfied with a product that meets the expected performance.

Based on the understanding of repurchase interest provided by the experts above, the author can conclude that repurchase requests are an opportunity for customers to make another purchase after they feel satisfied with their first product. Consumer loyalty will emerge after this step.

Dimensions and Indicators of Repurchase Intention
Dimensions and indicators according to Qudus and Amelia (2022):
1. Transactional interest, Indicator: interested in always buying goods or services, has high trust in the company.

2. Referential Interest, Indicator: Recommend the product to others, have experience with the product, and inform about the product.
3. Preferential Interest, Indicator: Making the product the main choice, not using products from other brands.
4. Exploratory Interest, Indicator: Always looking for information about the product, looking for information to support the positive properties of the product

Price

According to Tjiptono (2019), the definition of price is the part that directly affects company profits; price can affect costs indirectly. Meanwhile, according to Kotler and Armstrong (2016) (in Turuis et al., 2019), Price can be the money paid for a product or service or the amount of value a customer provides for the benefit, use, or enjoyment of the product or service. Based on the understanding of several experts, it can be concluded that price is an influential amount of money that can be exchanged for a product and can be used to obtain ownership of a service or product.

Product Dimensions and Price Indicators
Dimensions and indicators according to Kotler and Armstrong (2012) (in Setiawan et al., 2019):
1. Price Affordability, Indicator: Prices are affordable for consumers, and prices offered vary.
2. Price conformity to product quality, indicators: Product price is in accordance with product quality, product price is in accordance with the quality desired by customers.
3. Matching Price with Benefits, Indicator: Feeling the suitability of price with benefits, Not thinking twice about making a purchase.

Review Product

A product Review by Lackermair et al. (2013) (in Ardianto et al., 2020) says that consumer assessments of products or companies can be positive or negative; these assessments are based on the reviewer's experience, and these assessments are accompanied by an explanation of the advantages and disadvantages of buying the product. According to Flanagin and Metzger in Belfa and Taufik (2022), product reviews can increase customer purchases of desired or wanted products, including customer trust and loyalty to products sold by online shops. From the definitions above, it can be concluded that product assessments and online customer reviews are components of electronic word of mouth (eWOM). In other words, eWOM includes someone's opinion about a product or service through online media.

Product Review Dimensions and Indicators
Dimensions and indicators from Lackermair et al. (2013) in (Ardianto et al., 2020):
1. Awareness Indicator: Be aware of the review feature as an initial protection, and use the product review feature before purchasing the product.
2. Frequency, Indicator: Buyers use product reviews as a source of information. Buyers often use the review feature as a source of information.
3. Comparison (Comparison). Indicator: Reading reviews before buying; buyers compare product reviews first before buying.
4. Effect (Influence), Indicator: Buyers feel influenced by using the product review feature before purchasing. The review feature has an influence on consumers in selecting products

Framework

Based on theory, the relationship between research paradigm variables can be

systematically described as follows. Based on the description of the framework above, the hypothesis of this research is as follows:

H1: There is a direct and significant influence between price on purchasing decisions
H2: There is a direct and significant influence between Product Reviews and Purchase Decisions
H3: There is a direct and significant influence between Price and Product Reviews
H4: There is an indirect and significant influence of price on purchasing decisions which is mediated by product reviews.

RESEARCH METHOD
Population
Population is a generalization of things whose properties are being studied. In this study, the population used was women in Jatiwaringin Village, Bekasi City, totalling 7,469 people. Seeing that the population in this study was quite large, samples were taken as a representation. A sample is a component of the entire object to be examined or evaluated, which has certain population characteristics (Retnawati, 2017). Using the Slovin formula, the number of samples used as respondents in this study was 379 people and was finalized to 380 people.

The method used in this research is purposive sampling, namely a sampling technique based on the author's observations or assessing which samples are most useful and representative (Retnawati, 2017), where the selected samples have their own standards, namely:
1. Women with an age range of 20-39 years
2. Find out about Scarlett Whitening body lotion products
3. Already purchased Scarlett Whitening body lotion products so respondents can answer statements regarding interest in repurchasing.

Analysis Plan
In this research, data processing was carried out using Partial Least Square (Smart PLS4.0) in general, there are two measurement models, namely as follows:

Outer Model
Defined as its latent indicator, the outer model represents the relationship between the latent variable and its manifest variable. The outer model test aims to determine the relationship between latent variables and indicators (Ghozali, 2021). In this measurement model there are three types of tests, namely test Convergent Validity, Discriminant Validity and Construct Reliability (Ghozali, 2021).
1. Convergent Validity
   The loading factor value of each latent variable determines convergent validity. According to (Ghozali, 2021), The loading factor value in confirmatory research has criteria > 0.7, and for exploratory research, the loading factor value is between 0.6 – 0.7.

2. Discriminant Validity
   This was done to prove that each latent model concept is separate from other variables (Ghozali, 2021). There are three ways to carry out discriminant validity tests, namely Cross Loadings, Fornell-Larcker, and HTMT.

   a. Cross Loading
      The cross-loading discriminant validity test produces higher indicator values for each construct than for other variable constructs (Sekaran & Bougie, 2016).

   b.   Fornell Larcker Criterion

Fornell Larcker Criterion, namely by comparing the square root value of the Average Variance Extracted (AVE) of the construct with the correlation between other constructs in the model (Henseler et al., 2015).

   c.   Heterotrair-monotrait Ratio (HTMT)

To measure different constructs, the Heterotrair-monotrait Ratio (HTMT) uses the average of all indicator relationships between constructs. Heterotrait-hetero method correlations are compared with the average indicator correlation for the same construct (Henseler et al., 2015). Rule of thumb of HTMT < 0.9 to ensure discriminant validity between the two reflective constructs.

3. Construct Reliability

The reliability test is a measuring tool that measures the level of stability in a situation (Sugiyono, 2019). Reliability tests are useful for proving the accuracy and consistency of instruments in measuring constructs. In measuring the reliability of construct variables, you can use Cronbach's Alpha and Composite Reliability. According to Chin (1998) and Hair et al. (2011), the composite reliability value must be greater than 0.7 for confirmatory research, and for exploratory research, it must be 0.6 – 0.7. strengthen the reliability test with Cronbach Alpha, if $\alpha \geq 0.5$ can be increased good and if it has an α value ≥ 0.3 it can be said to be sufficient. (Irwan et al., 2015). The Construct Reliability test uses the AVE (Average Variance Extracted) measure, and the AVE score is > 0.5.

Inner Model

The relationships between latent variables in PLS are based on research hypotheses and formed by structural models (Irwan et al., 2015). In the inner model, there are the Path coefficients test, Coefficient of determination (R^2), F-Square test, Multicollinearity Test (VIF), FIT Model, Hypothesis Test

1. Path Coefficients

Path coefficients between structures are measured to test the significance and strength of relationships, as well as to test hypotheses. The path coefficient value ranges between -1 and +1, and the higher the value, the stronger the relationship between the two structures. The relationship is indicated by a ratio that is close to -1 as negative (Sarstedt et al., 2017).

2. R-Square

The coefficient of determination (R^2), is a measure of how well the exogenous construct explains the endogenous construct (Furadantin, 2018). The R^2 value is used to measure the extent to which certain endogenous variables influence, as well as to determine whether exogenous variables have a significant influence (Ghozali, 2021). R-Square values of 0.67, 0.33, and 0.19 indicate strong, moderate, and weak models (Hair et al., 2011).

3. For Hypothesis Testing, using t-statistical values and p-values, hypothesis testing is used to determine whether the influence between the independent and dependent variables is significant. The variable is considered significant if the t-statistic value is more than 1.96 and the p-value is less than 0.05 (5%) (Ghozali, 2021).

FINDINGS AND DISCUSSION

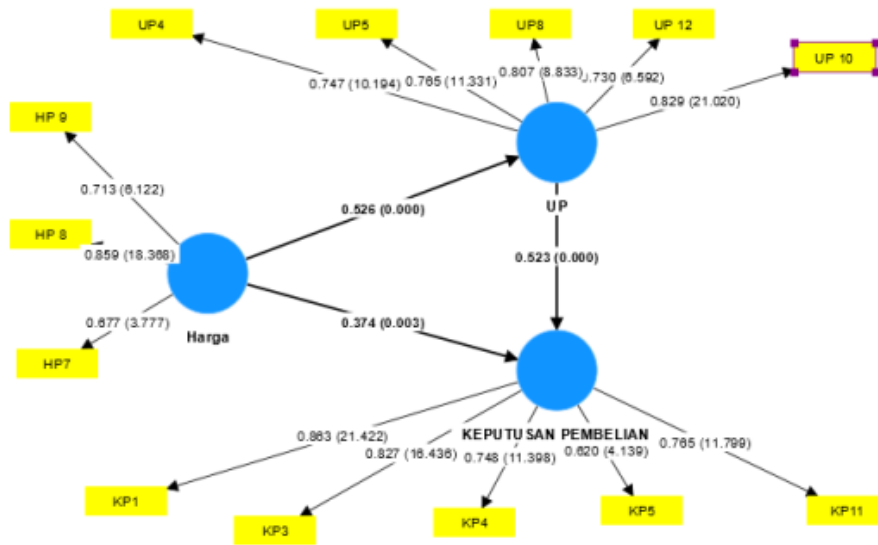The results of the GMA software testing research can be obtained as follows.

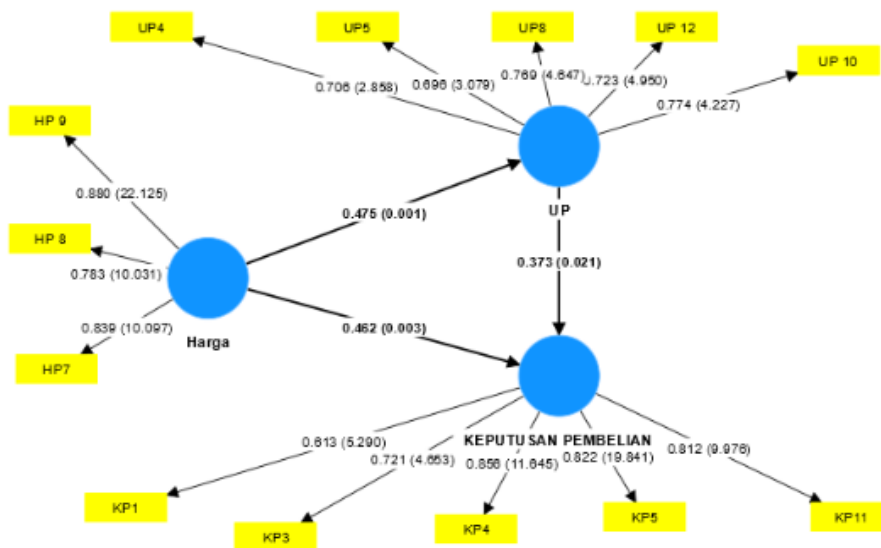**Figure 1**. Age 20-29 - SLF-PATH COEF and T- TEST

Figure 2. Age > 30 - SLF-PATH COEF and T- TEST

Source**:** Output GMA

Testing in SmartPLS software consists of testing the outer model and inner model, which looks as follows:

Outer Model

The outer model shows the relationship between manifest variables and latent variables. This evaluation model: Convergent Validity test, Discriminant Validity test, and Construct Reliability test.

1. Convergent Validity

Figure 3. Convergent Validity Value

Figure 3 has a convergent validity table for ages 20-29 years and>30 years. For the product Price variable in the age range of 20-29 years, the highest loading factor value is in the HP8 indicator of 0.859 and in the age range >30 years, the highest loading factor is in the HP9 indicator of 0.889. In the Product Review variable in the age range of 20-29 years, the highest loading factor value is found in the UP10 indicator at 0.829, and in the age range >30 years, the highest loading factor value is UP10 at 0.774.

2. Discriminant Validity
   The discriminant validity test can be carried out in three ways: Fornell-Larcker Criterion, and Heterotrair-monotrait Ratio (HTMT).

   a. Fornell-Larcker Criterion

Figure 4. Fornell-Larcker Criterion Value

Source: Output GMA

Based on Figure 4 above, the discriminant validity value in the Fornell-Larcker Criterion model has been fulfilled because all latent variables have a root value of AVE > correlation with other constructs.

b.   Heterotrair-monotrait Ratio (HTMT)

Figure 5. Heterotrair-monotrait Ratio Value

Source: Output GMA

The HTMT value in Figure 5, all age categories have met the criteria because they have a value <0.9, so they can meet the discriminant validity assessment and are declared valid.

3.   Construct Validity
The construct reliability test can be strengthened with Cronbach's alpha, where the value can be said to be good if it is more than ≥ 0.5, then all constructs have good reliability. In the composite reliability test (rho_a), there is a value < 6, but in the composite reliability (rho_c), it has a value > 6; this shows that all variables have met composite reliability and have high reliability.
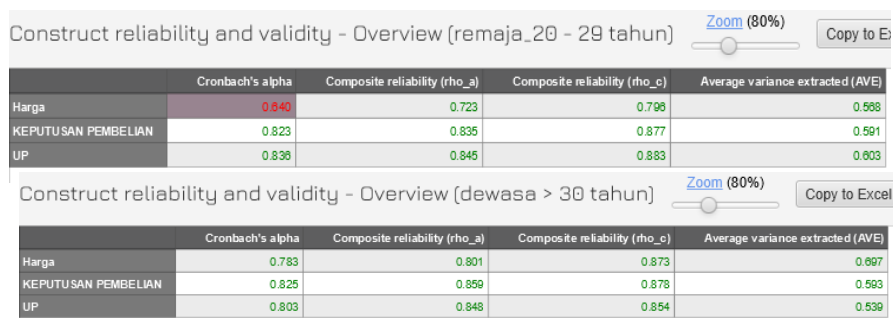

Figure 6. Construct Reliability

Source: Output GMA

Inner Model
In the inner model, there is a Path coefficients test, coefficient of determination (R^2).

Figure 7. R-Square

Source: Output GMA

Based on the figure above, the adjusted R-Square value is 0.608, which shows that the percentage of Purchase Decisions of 61.9% is influenced by all constructs, product price, and product reviews simultaneously. Therefore, the R Square in the Purchase Decision variable is moderate because it is more than 33% but less than 67%.

CONCLUSIONS
1. Price (X1) significantly and positively influences purchasing decisions (Y). With the highest Path Coefficient value for the 20-29 year age range of 0.859 and those aged >30 years of 0.880, so from these values, it is known that the price variable in the >30 year age range plays a greater role in purchasing decisions.
2. Product reviews (X2) significantly and positively influence purchasing decisions (Y). With the highest Path Coefficient value from the 20-29 year age range of 0.828 and age >30 years of 0.774. So from these values, it can be seen that the product review variable in the 20-29-year age range plays a greater role in purchasing decisions
3. Price (X1) positively and significantly influences Product Reviews (X2). With the highest Path Coefficient value from the 20-29 year age range of 0.859 and age >30 years of 0.880. Therefore, from these values, it can be seen that the price variable in the age range >30 plays a greater role in product reviews.
4. Price (X2) has a positive and significant influence on Purchasing Decisions (Y) through Product Reviews (X2) as a mediating variable. With the highest Path Coefficient value for the 20-29 year age range of 0.374 and > 30-year-olds of 0.373, so from these values, it can be seen that price can influence purchasing decisions through product reviews, with a greater role in the 20-29 year age range.

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