

Effect Of Product Quality & Online Customer Review On Product E- Commerce Purchase Intention Among The Youths In Macassar City

Diah Ismayanti¹, Rosmiati², Ady Kurnia³

¹ Department of Management, Faculty of Economics, Achmadyani Banjarmasin University

² Department of Agriculture, Indonesia Timur University

³ Department of Economy, Indonesia Timur University

ABSTRACT

This study aims to determine the effect of product quality & online customer review on product e- commerce purchase intention among the youths in macassar city is a qualitative study using sem pls.4 to test the hypothesis. The research population is young people who are students and students in the city of makassar, which is known for its highly consumptive society. The research sample was 100 people with 14 variable indicators, sampling using purposive sampling by distributing questionnaires using google form. The results showed that product quality has a significant effect on purchase intention and online customer review has a significant effect on purchase intention.

Keywords:

e-commerce, product quality, purchase intention, online customer review

✉ Corresponding author : Diah Ismayanti
Email Address : diah.ismayanti.isnan@gmail.com

1. Introduction

The rise of e-commerce has revolutionized the way people shop. With just a few clicks, consumers can have products delivered right to their doorstep. This convenience has particularly appealed to the younger generation, who are known for their tech-savviness and desire for instant gratification. However, with this increased reliance on online shopping comes concerns about product quality.

The effect of product quality and online customer reviews on product purchase intention among the youths is a topic of great interest in today's digital age. With the rise of e-commerce platforms and the increasing reliance on online shopping, understanding how these factors influence consumer behavior is crucial for businesses.

Product quality plays a significant role in shaping consumers' purchase intentions. The youths, being more tech-savvy and well-informed than ever before, are highly conscious about the quality of products they buy. They seek value for their money and expect products to meet their expectations. Positive experiences with high-quality products not only enhance their satisfaction but also increase their likelihood of making future purchases.

Furthermore, online customer reviews have become an essential source of information for consumers when making purchasing decisions. The youths heavily rely on these reviews to gain insights into others' experiences with a particular product. Positive reviews act as social proof, reinforcing positive attitudes towards a product and increasing purchase intention.

However, it is important to note that negative online customer reviews can have a detrimental impact on purchase intention among the youths. They tend to trust peer opinions more than traditional advertising methods. Therefore, businesses must pay close attention to managing negative feedback effectively to mitigate any potential damage.

This essay examines the relationship between product quality, online customer reviews, and purchase intention among young people in Makassar city.

2. Literature Review

2.1 Purchase Intention

Purchase interest is the ability of consumers to make purchases by seeking information from various sources (Shahnaz & Wahyono, 2016). Meanwhile, according to (Pratama & Ardhy, 2017) purchase interest is defined as the possibility of a consumer to intend to buy a certain product that he sees.

Purchase intention among the youths on product e-commerce has become a significant topic of interest in recent years. With the rapid growth of technology and the internet, e-commerce has become an integral part of our daily lives. The youth, being tech-savvy and constantly connected to the online world, play a crucial role in shaping the future of e-commerce (Dwivedi et al., 2023; Goryunova & Jenkins, 2023; Jiang, Sun, & Ren, 2023)

One key factor influencing purchase intention among youths is convenience. E-commerce offers a hassle-free shopping experience with just a few clicks, eliminating the need to

physically visit stores. This convenience factor appeals to the busy lifestyles of young individuals who are always on-the-go (Bertini, Aparicio, & Aydinli, 2023; Hariprasad, 2023; Pakkala & Bhat, 2022).

Another important aspect is price competitiveness. Youths are often price-conscious and seek value for their money. E-commerce platforms provide them with access to various sellers, allowing them to compare prices easily and make informed decisions (Cao et al., 2021; Farzin, Ghaffari, & Fattahi, 2022; Lu & Chen, 2021).

Moreover, social media plays a vital role in shaping purchase intentions among youths. Influencers and peer recommendations heavily influence their buying decisions. The ability to read reviews and see real-life experiences shared by others helps build trust and confidence in purchasing products online.

2.2 Product Quality

According to menurut Kotler (2012) the meaning of product quality is "the product's ability to perform its functions, it includes the product's overall durability, reliability, precision, ease of operation and repair, and other valued attributes" which means the ability of a product in demonstrating its function, it includes the overall durability, reliability, accuracy, ease of operation One of the main challenges faced by youths in product e-commerce is ensuring that they receive high-quality products. Unlike traditional brick-and-mortar stores where customers can physically examine and test products before purchasing, online shoppers rely solely on product descriptions and images provided by sellers (Mou, Zhu, & Benyoucef, 2020; Sun, Chen, & Fan, 2021; Zheng, Chen, Zhang, & Wang, 2020). This lack of physical interaction makes it difficult for youths to assess the quality of a product accurately.

Furthermore, there is an abundance of counterfeit goods circulating in online marketplaces. Unscrupulous sellers take advantage of unsuspecting customers by selling fake or substandard products at lower prices. The youth demographic is particularly vulnerable to falling victim to these scams due to their limited experience in discerning genuine from counterfeit items (Dove, 2020; Kassem & Carter, 2023; Walzak, 2023).

To address these issues, both consumers and e-commerce platforms must take proactive measures. Consumers should educate themselves about reputable sellers and read reviews from other buyers before making a purchase. They should also be cautious when encountering deals that seem too good to be true as they may indicate counterfeit products.

E-commerce platforms should implement stricter regulations and verification processes for sellers to ensure that only genuine products are listed on their platforms. They should also provide clearer information regarding return policies and customer support channels so that young consumers feel more confident about making purchases. because Product Quality has a significant effect on Buying Interest (Rachmawati, Shukri, Azam, & Khatibi, 2019; Teo, Leng, & Phua, 2019; Xuhui Wang, Pacho, Liu, & Kajungiro, 2019) Product Quality has a significant effect on Purchase Intention

H1 : Product Quality Have a significant effect on Purchase Intention

2.3 Online Customer Review

Online reviews in a broader sense can be seen as a message or information regarding a product or service and thus like any other information are subject to processes of human information processing. Therefore, the elaboration likelihood model (ELM) appears to be a suitable theoretical foundation for investigating the research issue at hand, as it focuses on information processing and how individuals process received information or messages (Cacioppo & Petty, 1989).

Online customer reviews have become an integral part of the decision-making process for many consumers, especially among the youth population. With the rise of e-commerce platforms, such as Amazon and Alibaba, young people are increasingly relying on online customer reviews to make informed purchasing decisions (Das & Kumar, 2023; SHAIJU, 2023; Chenggang Wang et al., 2023).

One of the main reasons why online customer reviews are so popular among youths is their accessibility. With just a few clicks, young consumers can access a plethora of product reviews from other customers who have already purchased and used the item they are interested in. This allows them to gain insights into the quality, functionality, and overall satisfaction level associated with a particular product.

Moreover, online customer reviews provide a sense of authenticity that traditional advertising methods often lack. Young people tend to trust fellow consumers more than paid advertisements or promotional campaigns. They believe that real-life experiences shared by other customers are more reliable and unbiased.

Additionally, online customer reviews allow youths to compare different products before making a purchase. By reading multiple reviews for similar items, they can weigh the pros and cons of each option and choose the one that best fits their needs and preferences.

However, it is important for young consumers to approach online customer reviews with caution. Not all reviews may be genuine or accurate; some may be biased or even fake.

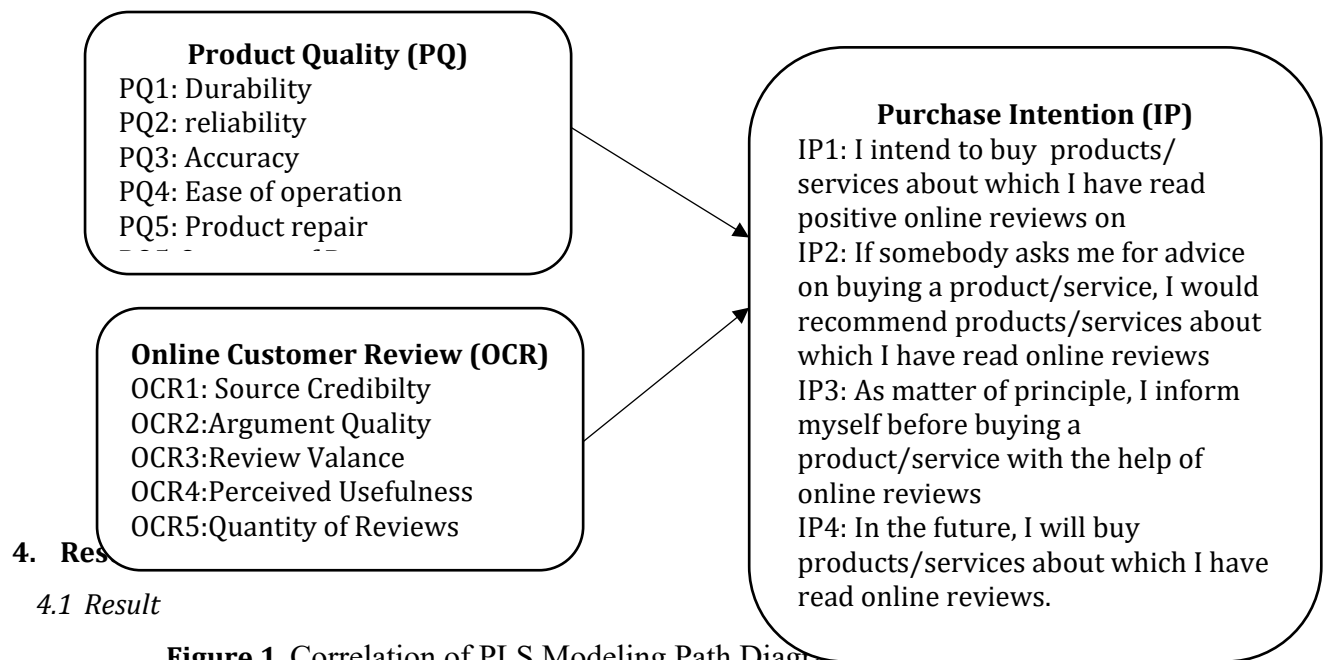
Therefore, it is crucial for youths to critically evaluate the credibility of reviewers by considering factors such as their profile information and previous review history.

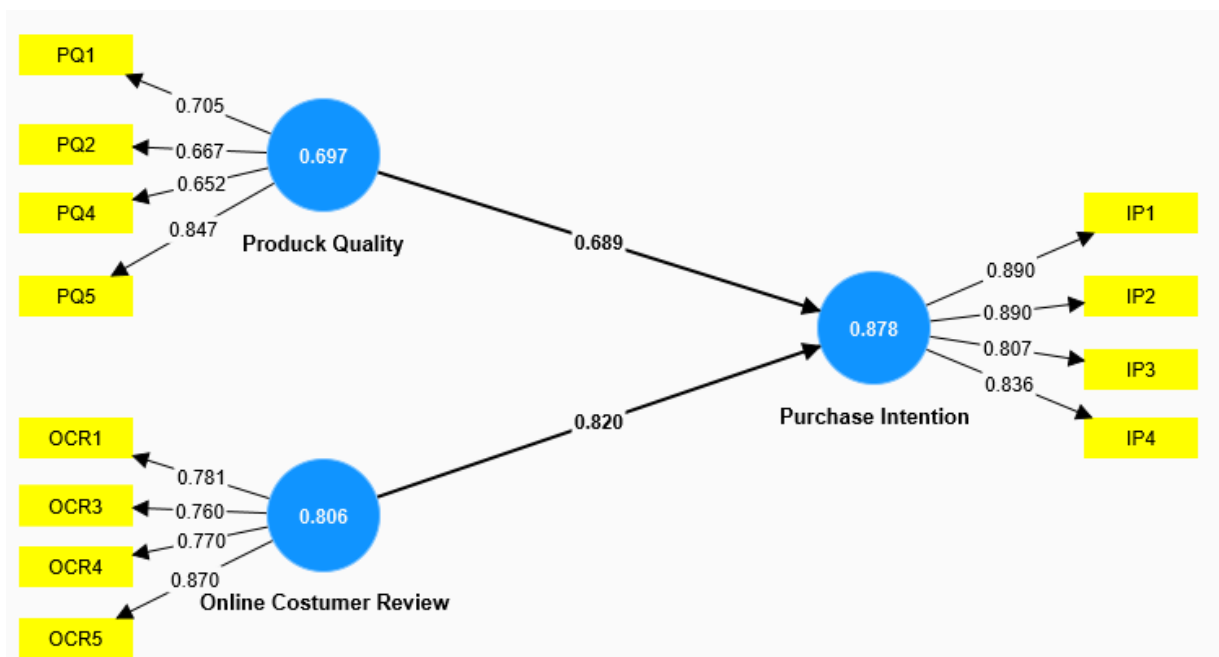
Online customer reviews play a significant role in shaping purchasing decisions among young people in e-commerce settings. These reviews provide accessibility, authenticity, and comparative analysis opportunities for youths seeking reliable information about products before making a purchase. However, it is essential for them to exercise critical thinking when evaluating these reviews in order to make well-informed choices, Online Customer Review have a significant effect on Purchase Intention (Thomas, Wirtz, & Weyerer, 2019; Ventre & Kolbe, 2020; Zhu, Li, Wang, He, & Tian, 2020).

H2: Online Customer Review have a significant effect on Purchase Intention

3. Method, Data, and Analysis

This research is qualitative research using SEM pls.4 to test the hypothesis, the first hypothesis is Product Quality Has a significant effect on Purchase Intention, the second hypothesis is Online Customer Review has a significant effect on Purchase Intention. The research population is young people who are students and students in the city of Makassar, which is known to be a very consumptive society. The research sample was 100 people with 14 variable indicators, sampling using purposive sampling by distributing questionnaires using google form. Questionnaire adaptation of online costumer review (Subagio & Hastari, 2021),Product Quality (Kotler et al., 2010) Purchasing intention (Xuhui Wang et al., 2019)





Source: Data Processed, 2023

The output of the path diagram construction with PLS modeling shows the outer Loading factor of more than 0.7 already has good convergence. Coefisient path Product Quality to Purchase Intention 0.689 is not greater than Online Costumer Review to Purchase Intention of 0.820. In the Purchase Intention latent variable, it can be seen in the indicator variable that the highest outer loadings value is the IP1 and IP2, which is 0.890. In the latent variable Product Quality on PQ5, 0.847, while in the Online Costumer Review variable, the highest outer loading value is OCR5, namely .870. Cronbach alpha Online Costumer Review is 0.806 and Product Quality is 0.697. If the Cronbach alpha of the alpha variable is greater than 0.7, it means that the latent variable has good reliability in measuring Online Costumer Review and Product Quality, means only Online Costumer Review is 0.806 variable has good reliability.

Reveal the results of testing the composite reliability (CR) and convergent validity of the constructs. The results confirm that the constructs have high internal consistency and average variance extracted (AVE) to validate convergent validity (Hair Jr, Babin, & Krey, 2017). Most indicators measuring each construct achieve satisfactory loadings values that are higher than the threshold value of 0.70, as supported (Hair Jr et al., 2017). The composite reliability (CR) value for Online Customer Reviewis 0.873, Product Quality is 0.811, and Purchase Intention is 0.917, which implies that the constructs have high internal consistency.

Table.1 Reflective Measurement Model

Dimension	Item	Loadings	CR	AVE
Product Quality	PQ.1	0.705	0.873	0.634
	PQ.2	0.667		
	PQ.3	0.652		
	PQ.5	0.847		
Online Customer Review	OCR.1	0.781	0.811	0.521
	OCR.3	0.760		
	OCR.4	0.770		
	OCR.5	0.870		
Purchase Intention	PI.1	0.890	0.917	0.734
	PI.2	0.890		
	PI.3	0.807		
	PI.4	0.836		

Source : Data Processed, 2023

In addition, these constructs also show satisfactory convergent validity with the average variance extracted (AVE) value for each construct higher than the threshold value of 0.500, indicating that the indicators describe more than 50% of the construct variance.

Table.2 Discriminant Validity

	Online Customer Review	Product Quality	Purchase Intention
Online Customer Review	-		
Product Quality	0.825	-	
Purchase Intention	0.971	0.841	-

Source : Data Processed, 2023

Table 2 presents The heterotrait-monotrait ratio of correlations (HTMT) criterion to evaluate discriminant validity, whereby the square root of the AVE values for each latent variable was found to be higher than the correlation values between all variables (Hair, Risher, Sarstedt, & Ringle, 2019)

The Structural Model

This section discusses the testing of the structural model to determine the proposed relationship between variables in the research framework. Next a 5000-bootstrap resampling of data is conducted to examine the hypotheses of this study (Hair et al., 2019) Table.3 demonstrates the assessment of the path coefficient which is represented by Beta values for each path relationship. The results show that three hypotheses were indeed supported.

Table.3 Hypothesis Testing for Personal Effect

Effect Of Product Quality & Online Customer Review On Product...

Hypothes	Beta	Mean	stdev	T-values	P-value
PQ -> PI	0.644	0.640	0.062	10.369	0.000
OCR -> PI	0.272	0.279	0.066	4.135	0.000

Source : Data Processed, 2023

Model Quality Assessment

Table.7 displays the quality of the model. We assessed the effect size (f^2), the coefficient of determination (R^2), multicollinearity issues (VIF values), and the predictive relevance (Q^2) of exogenous variables on the endogenous variable in this study.

Table.7 Model Quality Assessment

Hypothes	Direct Effect	F2	R2	VIF	Q2
H1	PQ -> PI	0.178	0.716	1.722	0.716
H2	COR -> PI	0.150		1.722	

Source : Data Processed, 2023

4.2 Discussion

The direct effect of Product Quality on purchase intention is 0.697, which means that if Product Quality increases by one unit, purchase intention can increase by 69.7%. This influence is positive.

The direct effect of Online Customer Review on purchase intention is 0.806, which means that if Online Customer Review increases by one unit, purchase intention can increase by 80.6%. This influence is positive.

5. Conclusion and Suggestion

Purchase intention among youths on product e-commerce is driven by factors such as convenience, price competitiveness, and social media influence.

There are also challenges that need to be addressed when it comes to purchase intention among youths on product e-commerce. One major concern is security and privacy issues associated with online transactions. Young individuals need assurance that their personal information will be protected when making purchases online. However, addressing concerns related to security and privacy will be crucial in ensuring continued growth in this sector.

6. Reference

Effect Of Product Quality & Online Customer Review On Product...

- Bertini, Marco, Aparicio, Diego, & Aydinli, Aylin. (2023). Can Friction Improve Your Customers' Experiences? *MIT Sloan Management Review*, 65(1), 1–7.
- Cacioppo, John T., & Petty, Richard E. (1989). Effects of message repetition on argument processing, recall, and persuasion. *Basic and Applied Social Psychology*, 10(1), 3–12.
- Cao, Hancheng, Chen, Zhilong, Cheng, Mengjie, Zhao, Shuling, Wang, Tao, & Li, Yong. (2021). You recommend, i buy: How and why people engage in instant messaging based social commerce. *Proceedings of the ACM on Human-Computer Interaction*, 5(CSCW1), 1–25.
- Das, P. K., & Kumar, Talleen. (2023). E-commerce sellers' ratings: Is user feedback adequate? *International Journal of Consumer Studies*.
- Dove, Martina. (2020). *The psychology of fraud, persuasion and scam techniques: understanding what makes us vulnerable*. Routledge.
- Dwivedi, Yogesh K., Hughes, Laurie, Wang, Yichuan, Alalwan, Ali A., Ahn, Sun J., Balakrishnan, Janarthanan, Barta, Sergio, Belk, Russell, Buhalis, Dimitrios, & Dutot, Vincent. (2023). Metaverse marketing: How the metaverse will shape the future of consumer research and practice. *Psychology & Marketing*, 40(4), 750–776.
- Farzin, Milad, Ghaffari, Rahman, & Fattahi, Majid. (2022). The influence of social network characteristics on the purchase intention. *Business Perspectives and Research*, 10(2), 267–285.
- Goryunova, Elizabeth, & Jenkins, Daniel. (2023). Digital Natives: Shaping the Future of Leadership-Followership Dyad Worldwide. In *Handbook of Global Leadership and Followership: Integrating the Best Leadership Theory and Practice* (pp. 431–447). Springer.
- Hair, Joseph F., Risher, Jeffrey J., Sarstedt, Marko, & Ringle, Christian M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24.
- Hair Jr, Joseph F., Babin, Barry J., & Krey, Nina. (2017). Covariance-based structural equation modeling in the Journal of Advertising: Review and recommendations. *Journal of Advertising*, 46(1), 163–177.
- Hariprasad, S. (2023). *Online shopping a study of consumer buying behavior of E Commerce Portals in India*.
- Jiang, Leilei, Sun, Wenming, & Ren, Lin. (2023). Bridging the Gap: Anxiety's Role in Shaping Consumption Patterns of Chinese University Students in the O2O E-Commerce Landscape. *Journal of the Knowledge Economy*, 1–22.
- Kassem, Rasha, & Carter, Elisabeth. (2023). Mapping romance fraud research—a systematic review. *Journal of Financial Crime*.
- Kotler, Philip. (2012). *Rethinking marketing: Sustainable marketing enterprise in Asia*. FT Press.
- Kotler, Philip, Lee, Nancy, Farris, Paul W., Bendle, Neil, Pfeifer, Phillip, Reibstein, David, Light,

- Larry, Kiddon, Joan, & Reece, Monique. (2010). *Marketing Strategy from the Masters (Collection)*. FT Press.
- Lu, Benjiang, & Chen, Zhenjiao. (2021). Live streaming commerce and consumers' purchase intention: An uncertainty reduction perspective. *Information & Management*, 58(7), 103509.
- Mou, Jian, Zhu, Wenlong, & Benyoucef, Morad. (2020). Impact of product description and involvement on purchase intention in cross-border e-commerce. *Industrial Management & Data Systems*, 120(3), 567–586.
- Pakkala, Kavitha, & Bhat, K. Shivashankar. (2022). A Study on Consumer Perception towards Online Shopping with Reference to Food Delivery Services in Mangaluru. *International Journal of Case Studies in Business, IT and Education (IJCSBE)*, 6(2), 393–407.
- Pratama, Andrew, & Ardhy, Joseph. (2017). Analisa Persepsi Harga terhadap Minat Beli Ulang melalui Perceived Value pada Hotel X Surabaya. *Jurnal Hospitality Dan Manajemen Jasa*, 5(2).
- Rachmawati, Dwi, Shukri, Sakinah, Azam, S., & Khatibi, Ali. (2019). Factors influencing customers' purchase decision of residential property in Selangor, Malaysia. *Management Science Letters*, 9(9), 1341–1348.
- Shahnaz, Nanda Bella Fidanty, & Wahyono, Wahyono. (2016). Faktor yang mempengaruhi minat beli konsumen di toko online. *Management Analysis Journal*, 5(4).
- SHAIJU, MEHNA. (2023). *THE SUBSTANTIAL IMPACT OF ARTIFICIAL INTELLIGENCE OVER E-COMMERCE PROGRESS WITH REFERENCE TO AMAZON ONLINE SHOPPING*. St Teresa's College (Autonomous), Ernakulam.
- Subagio, Dyajeng Puteri Woro, & Hastari, Sri. (2021). Price Discount: Pengaruhnya terhadap Online Customer Review dan Purchase Intention pada Konsumen Online Marketplace Platform pada Masa Pandemi Covid-19. *Jurnal Manajemen & Kewirausahaan*, 9(1), 15–25.
- Sun, Haoyan, Chen, Jianqing, & Fan, Ming. (2021). Effect of live chat on traffic-to-sales conversion: Evidence from an online marketplace. *Production and Operations Management*, 30(5), 1201–1219.
- Teo, Li Xin, Leng, Ho Keat, & Phua, Yi Xian Philip. (2019). Marketing on Instagram: Social influence and image quality on perception of quality and purchase intention. *International Journal of Sports Marketing and Sponsorship*, 20(2), 321–332.
- Thomas, Marc Julian, Wirtz, Bernd W., & Weyerer, Jan C. (2019). DETERMINANTS OF ONLINE REVIEW CREDIBILITY AND ITS IMPACT ON CONSUMERS'PURCHASE INTENTION. *Journal of Electronic Commerce Research*, 20(1), 1–20.
- Ventre, Ivan, & Kolbe, Diana. (2020). The impact of perceived usefulness of online reviews, trust and perceived risk on online purchase intention in emerging markets: A Mexican perspective. *Journal of International Consumer Marketing*, 32(4), 287–299.

- Walzak, Laura Cecilia. (2023). *Fraud susceptibility across adulthood: Age, context, and the role of individual differences*.
- Wang, Chenggang, Liu, Tiansen, Zhu, Yue, Wang, He, Wang, Xinyu, & Zhao, Shun Yao. (2023). The influence of consumer perception on purchase intention: Evidence from cross-border E-commerce platforms. *Heliyon*, 9(11).
- Wang, Xuhui, Pacho, Frida, Liu, Jia, & Kajungiro, Redempta. (2019). Factors influencing organic food purchase intention in developing countries and the moderating role of knowledge. *Sustainability*, 11(1), 209.
- Zheng, Qiujie, Chen, Junhong, Zhang, Robin, & Wang, H. Holly. (2020). What factors affect Chinese consumers' online grocery shopping? Product attributes, e-vendor characteristics and consumer perceptions. *China Agricultural Economic Review*, 12(2), 193–213.
- Zhu, Linlin, Li, He, Wang, Feng Kwei, He, Wu, & Tian, Zejin. (2020). How online reviews affect purchase intention: a new model based on the stimulus-organism-response (S-O-R) framework. *Aslib Journal of Information Management*, 72(4), 463–488.