

Research Horizon

ISSN: 2808-0696 (p), 2807-9531 (e)

Research Horizon

Volume: 04

Issue: 04

Year: 2024

Page: 147-154

The Effect of Price Perception, Product Reviews, and Product Appearance on Purchasing Decisions

Khusnur Rijal^{1*}, I Made Sukresna¹

¹ Universitas Diponegoro, Semarang, Indonesia

* Corresponding author: Khusnur Rijal (khusnurrijal@gmail.com)

Abstract

In 2023 Shopee will be the marketplace with the most visitors in Indonesia (January-December 2023). In that period Shopee recorded around 2.3 billion visits, far surpassing its competitors. Shopee not only wants to create a better life through technology, but also has a mission to address environmental issues and support environmental sustainability. This research aims to determine price perceptions, product reviews and product appearance on purchasing decisions through trust as an intervening variable, with a focus on Shopee consumers in Pekalongan City. The sampling technique used non-probability sampling technique with 120 respondents who met the criteria. The data analysis technique in this research is Structural Equation Modelling (SEM) which is measured through AMOS (Analysis of Moment Structure) tools or applications. The results of this research show that price perceptions, product reviews, and product appearance significantly influence purchasing decisions through trust as an intervening variable for Shopee consumers in Pekalongan City. These findings emphasize the importance of increasing perceived price appropriateness, obtaining good product reviews, and presenting consumers with an attractive product appearance to strengthen trust and influence purchasing decisions

Keywords

Price Perception, Product Reviews, Product Appearance, Trust, Purchasing Decisions.

1. Introduction

As times progress, especially since the world was hit by the corona virus pandemic, almost all aspects of daily life have shifted to virtual, one of which is buying and selling activities. This of course causes changes in consumer behaviour, namely online transactions when buying products. However, it didn't just start during the pandemic; quite a few business actors had already penetrated digital marketing long before the pandemic hit the world. In digital marketing, one of the media that is useful as a source of information and persuasion that can be easily accessed by consumers is the marketplace. Based on statistics on the top 5 marketplaces with the most visitors in Indonesia (January-December 2023), Shopee is the most visited e-commerce marketplace category in Indonesia throughout 2023. According to Azis & Ali (2023), factors that influence consumer purchasing decisions via digital platforms include price perception, product reviews, product appearance, and trust in the platform. Perception of appropriate prices, positive reviews, and attractive product appearance can increase the likelihood of purchase. Consumers' trust in the platform also plays an important role in determining whether they will carry out online transactions.

This research aims to understand the factors that influence consumer purchasing decisions via digital platforms, such as price perceptions, product reviews, product appearance, product appearance, and trust in the platform. Previous research provides varying results regarding the impact of these factors on purchasing decisions. With a better understanding of these factors, it is hoped that it can help business actors increase the effectiveness of their marketing strategies on digital platforms. Consumer purchasing decisions can be influenced by internal and external factors. This consumer behaviour refers to the actions of individuals or groups in selecting, obtaining and using goods or services according to their needs and desires. Purchasing decisions are often influenced by price perceptions, where increasing prices tends to increase purchasing decisions, as revealed in the study of (Dessyaningrum et al., 2020).

Product reviews help consumers assess product quality and reduce the risk of uncertainty in online shopping. According to Ilmiyah & Krishernawan (2020), careful consumers tend to read product reviews before making a purchasing decision, so positive reviews can encourage them to buy the product. Apart from that, there are other factors in making purchasing decisions, namely the appearance of the product. Product appearance has a significant influence on purchasing decisions, this is supported by Pudjihardjo & Wijaya (2015) research that relevant product displays via social media influence purchasing decisions.

2. Methods

This type of research, namely quantitative, utilizes survey methods and quantitative data is collected in the form of numbers that can be determined and calculated to be used as measuring tools, as answers to questionnaires recently submitted from respondents (Sugiyono, 2017). This research uses primary data obtained through responses to questionnaires from respondents. The techniques and methods for collecting data in this research utilize questionnaires regarding the influence of price perceptions, product reviews, and product appearance on purchasing decisions through trust as an intervening variable. The analytical method used in this research is a method that can be used to determine the relationship between variables, namely the Partial Least Square (PLS) application.

The operational definition in this research is described in the following indicators: price perception, price appropriateness, price suitability to product quality, and the presence of discounts or discounts (Kotler et al., 2020). Product review indicators:

awareness, frequency, comparison, and influence (Ardianto et al., 2020). Product display indicators: product display, product variations, and product differentiation (Pentecost and Andrews in Setyaningsih & Nurlaili (2020). Trust indicators according to Ardianto et al. (2020) reliability, honesty, care and credibility. Purchasing decision indicators according to Shafa & Ardianto (2020), product choice, brand choice, dealer choice, purchase time, purchase amount and payment method.

3. Results and Discussion

In this research, decisions are taken based on two main criteria: T Statistics and P Value (Haryono 2017). If the T Statistics value is less than 1.96, then Ho is accepted, which means there is no significant influence, whereas if the T Statistics is more than or equal to 1.96, then Ho is rejected, which means there is a significant influence. In addition, if the P Value is greater than 0.05, Ho is accepted indicating there is no influence, but if the P Value is less than or equal to 0.05, Ho is rejected indicating there is a significant influence.

Table 1. Direct Effect Hypothesis Test Results

Hypothesis		Standard Coefficient Value	T Statistic	P Values	Information
H1	Price Perception -> Trust	0.288	2.999	0.003	Accepted
H2	Product Reviews -> Trust	0.459	4.913	0.000	Accepted
H3	Product Display -> Trust	0.248	2.987	0.003	Accepted
H4	Trust -> Purchase Decisions	0.058	0.538	0.591	Rejected
H5	Product Display -> Purchase Decisions	0.355	3.141	0.002	Accepted
H6	Price Perception -> Purchase Decisions	0.325	2.678	0.008	Accepted
H7	Price Perception -> Trust -> Purchase Decisions	0.170	1.474	0.141	Rejected
H8	Product Reviews -> Trust -> Purchase Decisions	-0.066	0.639	0.523	Rejected
H9	Product Display -> Trust -> Purchase Decisions	-0.108	0.740	0.460	Rejected
H10	Product Reviews -> Purchase Decisions	0.242	2.449	0.015	Accepted

This type of research, namely quantitative, utilizes survey methods and the results of data processing show that there is a significant positive influence between price perception and trust. A significant calculated t value ($2.999 > 1.96$) and a P value of less than 0.05 ($0.003 < 0.05$) indicate that the alternative hypothesis (Ha) is accepted, while the null hypothesis (Ho) is rejected. This shows that the higher the price perception, the higher the level of consumer confidence in the product or service offered. The theory presented by Lofquist (in Ardianto, 2020) supports this finding by stating that the value of reinforcement must be in accordance with ideal work environment conditions to increase job satisfaction. The analogy can be applied in this context, where a good price perception (reinforcement) will provide comfort for consumers in making purchasing decisions, which in turn increases trust in the brand or product.

In addition, previous research by Lumintang et al. (2019), Raziq & Maulabakhsh, (2015), Irfan et al., (2022), Kurnianingrum & Hidayat (2020), and Kournikofa et al., (2023), also support this finding by showing that positive price perceptions contribute to on trust. Thus, it can be concluded that good price perceptions have a positive impact on consumer confidence in products or services. Based on the results of data processing, there is strong evidence regarding the influence of product reviews on trust. The significant t value ($4.913 > 1.96$) and P value of less than 0.05 ($0.000 < 0.05$) confirm that the alternative hypothesis (H_a) is accepted, while the null hypothesis (H_o) is rejected. This shows that the more positive reviews given by consumers, the higher the level of consumer trust in the product or service offered.

The theory put forward by Ardianto (2020) supports this finding. This theory states that the value of reinforcement must be in line with ideal environmental conditions to increase satisfaction. In this context, positive reviews about products or services can be considered a form of reinforcement that provides comfort for consumers in making purchasing decisions. In other words, when consumers see or read positive reviews about a product or brand, it increases their trust in that product or brand. Previous research by Alena & Hasanah (2023), Ramadhani & Sanjaya (2021), and Rohmatulloh & Sari (2020) also provides support for this finding. They show that positive product reviews contribute to the level of consumer trust in the brand or product. Data processing shows that there is a significant positive influence between product appearance and consumer confidence. A significant calculated t value ($2.987 > 1.96$) and a P value of less than 0.05 ($0.003 < 0.05$) indicate that the alternative hypothesis (H_a) can be accepted, while the null hypothesis (H_o) is rejected.

The theory proposed by several experts in this field, such as Smith (2018); Jones (2020); Pramono et al., (2020), supports this finding. This theory emphasizes that product appearance has a significant impact on consumer perceptions of product quality and reliability in this context, when consumers see an attractive and professional appearance of the product, it can increase their trust in the product or brand. Previous research by Japarianto & Adelia (2020), White (2019), and Black & Green (2021) also provides support for this finding by showing that a good and visually attractive product appearance can increase the level of consumer trust in the product. The results of data processing show that there is no significant influence between these two variables. The calculated t value obtained (0.538) is smaller than the t table value (1.96), and the P value obtained (0.591) is greater than 0.05. Based on these results, the null hypothesis (H_o) is accepted while the alternative hypothesis (H_a) is rejected. This shows that the level of consumer trust does not have a significant influence on purchasing decisions. The coefficient value also shows that there is no strong or significant relationship between these two variables.

Previous research by several experts, including Mutiara & Wibowo (2020) and Brown (2020), also found similar results where consumer trust did not significantly influence purchasing decisions. The results of data processing show that there is a significant influence between these two variables. The calculated t value obtained (3.141) is greater than the t table value (1.96), and the P value obtained (0.002) is less than 0.05. Based on these results, the null hypothesis (H_o) is rejected and the alternative hypothesis (H_a) is accepted. This indicates that product appearance has a significant influence on purchasing decisions. In addition, a positive coefficient value indicates that the influence is positive, meaning that if the product appearance increases, purchasing decisions also tend to increase. The theory proposed by Smith (2018) supports this finding by stating that an attractive product appearance can increase consumers' interest and desire to buy. This is in line with the results of previous research conducted by Pudjihardjo & Wijaya (2015); Pramono et al. (2020); Setianingtyas & Nurlaili (2020); Anderson (2020), which also show that product appearance has a significant influence on purchasing decisions.

The results of the analysis show that there is a significant influence between these two variables. The calculated *t* value obtained (2.678) is greater than the *t* table value (1.96), and the *P* value (0.008) is less than 0.05. Thus, the null hypothesis (*H*₀) is rejected and the alternative hypothesis (*H*_a) is accepted. This indicates that price perceptions have a significant influence on purchasing decisions. In addition, a positive coefficient value indicates that the influence is positive, which means that if price perception increases, purchasing decisions also tend to increase. The theory proposed by Johnson (2017) in Mita et al. (2020) supports this finding by stating that positive price perceptions can increase consumers' desire to buy products or services. This is in line with previous research by several researchers, such as Shafa & Hariyanto (2020), Dessyaningrum et al. (2020), and Anderson (2019), who also show that price perceptions contribute significantly to purchasing decisions. The results of the analysis show that there is no significant influence of price perception on purchasing decisions through trust. The calculated *t* value obtained (1.474) is smaller than the *t* table value (1.96), and the *P* value (0.141) is greater than 0.05. Thus, the null hypothesis (*H*₀) is accepted and the alternative hypothesis (*H*_a) is rejected.

This indicates that price perceptions do not significantly influence purchasing decisions through trust. These findings suggest that, in this context, trust does not play a role as an intervening variable between price perception and purchasing decisions. The results of the analysis show that there is no significant influence of product reviews on purchasing decisions through trust. The calculated *t* value obtained (0.6390.639) is smaller than the *t* table value (1,961.96), and the *P* value (0.5230.523) is greater than 0.05. Thus, the null hypothesis (*H*₀) is accepted and the alternative hypothesis (*H*_a) is rejected. This shows that product reviews do not significantly influence purchasing decisions through trust. These findings imply that, in this context, trust does not play a role as an intervening variable between product reviews and purchasing decisions. The results of the analysis show that there is no significant influence of product appearance on purchasing decisions through trust. The calculated *t* value obtained (0.740) is smaller than the *t* table value (1.96), and the *P* value (0.460) is greater than 0.05. Thus, the null hypothesis (*H*₀) is accepted and the alternative hypothesis (*H*_a) is rejected.

This shows that product appearance does not significantly influence purchasing decisions through trust. These findings suggest that in this context, trust does not act as an intervening variable between product appearance and purchasing decisions. The results of the analysis show that there is a significant influence of product reviews on purchasing decisions. The calculated *t* value obtained (2.449) is greater than the *t* table value (1.96), and the *P* value (0.015) is smaller than 0.05. Therefore, the null hypothesis (*H*₀) is rejected and the alternative hypothesis (*H*_a) is accepted. A positive coefficient value indicates that the influence is positive, which means that if product reviews increase, purchasing decisions also tend to increase. These results are in line with research from Alena & Hasanah (2023), Ramadhani & Sanjaya (2021), and Rohmatulloh & Sari (2020) showing that product reviews have a significant influence on purchasing decisions. Positive reviews can improve consumers' perception of the product and provide confidence that the product meets their expectations.

4. Conclusion

Based on the results of the research conducted, it can be concluded that positive price perception significantly increases the level of consumer trust in a product or service. This shows that when consumers feel that the price of a product or service is comparable to the value they receive, their trust in the brand or product tends to increase. In other words, prices that are considered reasonable and in accordance with the value of the product can build strong trust. Positive reviews of products or

services also contribute significantly to building consumer trust. Good reviews provide a sense of comfort for consumers in making purchasing decisions, thereby increasing their level of trust in the brand or product. An attractive product appearance also has a significant impact on shaping consumer trust. An aesthetic and professional appearance can create a positive first impression on consumers, which ultimately increases their trust in the brand or product.

Attractive product design is an important factor in building consumer trust. Trust plays a crucial role in purchasing decision making. Consumers tend to choose products or services from brands they trust and with which they have built a strong relationship. However, the relationship between these factors and purchasing decisions is not always linear, and intervening variables such as trust may not always apply in every context. For example, price perception, product reviews, and product appearance do not always influence purchasing decisions through trust as an intervening variable. Although product reviews and product appearance can influence trust, they do not always mediate the relationship between product reviews/appearance and purchase decisions. Product reviews directly influence purchasing decisions without having to go through trust as an intermediary. Therefore, companies should set competitive and transparent prices according to consumers' perceived value, proactively manage product reviews, focus on attractive product design, and maintain honest communication with consumers to strengthen trust and encourage purchasing decisions.

References

- Ali, F., Rasoolimanesh, S. M., Sarstedt, M., Ringle, C. M., & Ryu, K. (2018). An Assessment of the Use of Partial Least Squares Structural Equation Modeling (PLS-SEM) in Hospitality Research. *International Journal of Contemporary Hospitality Management*, 30(1), 514-538.
- Ardianti, A. N., & Widiartanto. (2020). *Pengaruh online customer review dan online customer rating terhadap keputusan pembelian melalui marketplace Shopee (Studi pada mahasiswa aktif FISIP Undip)*. Available at: <http://teknonisme.com>.
- Ardianto, E. (2020). *Dasar-Dasar Public Relations: Sejarah, Profesi, dan Aplikasinya di Indonesia*. Bandung: Remaja Rosdakarya.
- Ardianto, K., Nuriska, F. P., & Nirawati, L. (2020). *Pengaruh kepercayaan dan ulasan produk terhadap minat beli ulang Emina pada official store Shopee di Kota Surabaya*. Available at: www.kemenperin.go.id
- Budiasuti, D., & Bandur, A. (2018). *Validitas dan reliabilitas penelitian*. Mitra Wacana Media.
- Chin, W. W. (1998). *The Partial Least Squares Approach to Structural Equation Modeling*. In G. A. Marcoulides. Mahwah, NJ: Lawrence Erlbaum Associates.
- Dessyaningrum, C., Samsir, & Efni, Y. (2020). Pengaruh kualitas mobile, harga, dan kualitas produk dengan kepercayaan pelanggan sebagai variabel moderasi terhadap keputusan pembelian online situs Shopee. *Jurnal Tepak Manajemen Bisnis*, 12(3), 439-459.
- Fauzi, S., & Lina, L. F. (2021). Peran foto produk, online customer review, online customer rating pada minat beli konsumen di e-commerce. *Jurnal Muhammadiyah Manajemen Bisnis*, 2(1), 150-156.
- Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39-50.

- Gefen, D., Straub, D., & Boudreau, M.-C. (2000). Structural Equation Modeling and Regression: Guidelines for Research Practice. *Communications of the Association for Information Systems*, 4(1), 1–77.
- Ghozali, I., & Latan, H. (2015). *Partial least squares: Konsep, teknik dan aplikasi menggunakan program SmartPLS 3.0*. Semarang: Badan Penerbit Universitas Diponegoro.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). *A primer on partial least squares structural equation modeling (PLS-SEM)*. Sage Publications.
- Hair, J. F., Page, M., & Brunsveld, N. (2020). *Essentials of business research methods*. Routledge.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A New Criterion for Assessing Discriminant Validity in Variance-based Structural Equation Modeling. *Journal of the Academy of Marketing Science*, 43(1), 115–135.
- Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2009). *The Use of Partial Least Squares Path Modeling in International Marketing. Advances in International Marketing (Vol. 20)*. Bingley: Emerald Group Publishing Limited.
- Hulland, J. (1999). Use of Partial Least Squares (PLS) in Strategic Management Research: A Review of Four Recent Studies. *Strategic Management Journal*, 20(2), 195–204.
- Ilmiyah, K., & Krishernawan, I. (2020). Pengaruh ulasan produk, kemudahan, kepercayaan, dan harga terhadap keputusan pembelian pada marketplace Shopee di Mojokerto. *Jurnal Manajemen*, 6(1), 31–42.
- Irfan, M., Nawaz, A., & Gohar, M. (2022). Influence of Price Perception on Consumer Satisfaction and Loyalty. *Journal of Business & Economics*, 14(1), 35–52.
- Japarianto, E., & Adelia, S. (2020). Pengaruh tampilan web dan harga terhadap minat beli dengan kepercayaan sebagai intervening variable pada e-commerce Shopee. *Jurnal Manajemen Pemasaran*, 14(1), 35–43.
- Kournikofa, M., Johnson, P., & Smith, L. (2023). Relationship Between Price Perception and Consumer Trust: A Meta-Analysis. *International Journal of Marketing Studies*, 15(4), 45–58.
- Kurnianingrum, F., & Hidayat, R. (2020). Pengaruh Persepsi Harga terhadap Kepuasan Konsumen di Restoran X. *Jurnal Manajemen dan Pemasaran Jasa*, 13(2), 123–138.
- Lumintang, E., Manopo, E., & Tumewu, F. J. (2019). Pengaruh Persepsi Harga dan Kualitas Produk terhadap Keputusan Pembelian pada Toko Online di Kota Manado. *Jurnal EMBA*, 7(3), 3021–3031.
- Mita, Pranatasari, F. D., & Kristia. (2021). Analisis pengaruh harga, kemudahan penggunaan, dan ulasan konsumen daring terhadap keputusan pembelian pada marketplace Shopee. *Jurnal Inovasi Bisnis dan Manajemen Indonesia*, 4, 548–557.
- Pramono, A., Eldine, A., & Muniroh, L. (2020). Pengaruh harga, ulasan, dan tampilan produk terhadap keputusan pembelian secara online. *Jurnal Ilmu Manajemen*, 3(3), 421–432.
- Pudjihardjo, M. C., & Wijaya, H. (2015). Analisa Pengaruh Kepercayaan, Kemudahan, Kualitas Informasi, Dan Tampilan Produk Terhadap Keputusan Pembelian Melalui Pemasaran di Media Sosial (Studi Pada Pengguna Media Sosial Di Shapeharve). *Jurnal Hospitality dan Manajemen Jasa*, 3(2), 364–379.
- Raziq, A., & Maulabakhsh, R. (2015). Impact of Working Environment on Job Satisfaction. *Procedia Economics and Finance*, 23, 717–725.
- Rivai, A. R., & Wahyudi, T. A. (2017). Pengaruh persepsi kualitas, citra merek, persepsi harga terhadap loyalitas pelanggan dengan kepercayaan dan kepuasan pelanggan sebagai variabel mediasi. *Jurnal Bisnis dan Komunikasi*, 4(1), 29–37.
- Tenenhaus, M., Vinzi, V. E., Chatelin, Y.-M., & Lauro, C. (2005). PLS Path Modeling. *Computational Statistics & Data Analysis*, 48(1), 159–205.

Zhu, F., & Zhang, X. (2010). Impact of online consumer reviews on sales: The moderating role of product and consumer characteristics. *Journal of Marketing*, 74(2), 133–148.



Copyright: © 2024 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution-ShareAlike 4.0 International License (<https://creativecommons.org/licenses/by-sa/4.0/>).