



How Online Customer Reviews Affect Purchase Intention Mediate by Trust

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Abstract. The growth of the Internet and technology has brought a change in people's behavior in shopping. Currently, consumers prefer to do online shopping. It is triggered by the appearance of an online shop that offers all the needs. It leads to consumer interest. Online customer reviews will generate trust in potential consumers against existing online shops. The study aims to know whether the use of a review on the online shop is significant or insignificant influence on buying interest. Trust is used as a mediating variable. The study used a quantitative study method with descriptive and illustrative design. Totally 246 respondents were collected and analyzed using PLS. The results showed that online customer reviews had a positive and significant impact on purchase interest which mediated by trust.

Keywords: Online Customer Reviews · Purchase Intention · Trust

1 Introduction

The rapid development of the internet has changed consumer behavior. Nowadays, consumers tend to choose online shopping more than coming to the shop directly. Online shops attract potential consumers using the content image, color, sound, form, services, and availability of goods that they are looking for.

Purchase intention or interest buy appears as an interest in some products or services based on their requirements, quality, and product visuals. Consumers who have a positive attitude toward a product or brand are willing to buy the product Purchase intention or interest buy appears as an interest in some products or services based on their requirements, quality, and product visuals. Consumers who have a positive attitude toward a product or brand are willing to buy the product [1].

In the business world trust is one crucial thing to build and maintained when doing business. The existence of trust can push interested consumers to do shopping online via online shops or websites [2]. This thing could be known through online customer reviews.

Online customer reviews are available on social media such as Instagram, Facebook, and Twitter. The reviews can get from a consumer who shares their experience of using a product or service. Their statements or reviews can tell the positive or negative experiences [3]. The potential consumer can evaluate the product based on their needs by using the review.

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The object of this research is one of the products handmade in local Indonesian fashion, with a focus segmentation on children young Indonesian. They produce bags, shoes, clothes, and accessories. The uniqueness of the products are unique design and different at relatively affordable prices. Focus them in to do promotion is through website official and social media such as Instagram which has 1.1 million followers.

2 Literature Review

2.1 Online Customer Reviews

Currently, business people use online customer reviews (OCR) as one of the forms of Electronic Word of Mouth for promoting products online. The review or opinion is direct from someone not from a promotional media advertising [4]. Online customer reviews can also be interpreted as bait to come back experience consumers and recommendations to something products and services that can embrace potential consumers and generate interest buy [5]. The information contained in the OCR is a statement that can be negative or positive for consumers who have to interact directly with the seller. OCR is used as a powerful promotional medium for communication marketing also.

OCR that is logical and persuasive, with enough reason _ based on the facts specific about a product, has a strong effect _ on cause interest buy on consumers [6]. Because the first from OCR can also work as information and adviser, personally OCR strategy can be used as a channel of media communication.

The study uses four indicators according to [7] as follows:

1. Read a review for knowing impression products to other consumers
2. Read a review to ensure the product to be bought appropriate
3. Gather information from reviews to help choose the right product
4. Reviews can increase believe self in buying the right product

2.2 Purchase Intention

As Sellers must understand the importance of consumer behavior, understanding the behavior of consumers will help in doing business better to fulfill consumer desires. The consumer behavior is the behavior exhibited by consumers _ in search for buying, using, evaluating, and disposing of the product or the services that they have an expectation for satisfying of them [8]. Based on the definition, interest buy could be considered as reflection results of using the product or service. Purchase intention or interest buy is part of decision purchase process. Purchase intention is formed behavior consumers who have the desire to buy products based on experience, use, and desire. Besides that behavior interest by consumers and behavior outside purchase consumers, many are influenced by trust [9]. This process is from results search and evaluation of consumers to something productive.

Research this using four indicators to measure interest buy from potential consumers, [10] as follows:

1. Interest transactional, in example trend somebody for buy something product

2. Interest referential, is the trending consumer for recommending the product to others. Interest appears after the consumer has experience and information about the product.
3. Interest preferential, that is interest that describes consumer behavior who has preference on a product.
4. Interest exploratory, interest this describes behavior someone who always looks for information about products they are interested in and looking for information for support traits positive from product that.

2.3 Trust

Trust which is a Foundation important in the business world, so could creation connection among sellers and buyers. Other definitions of trust is trust party certain to other party in to do connection transaction based on something confidence that the person he trusted have all his obligations by good and as expected a the power possessed by consumers and the conclusions made by consumers that something product have objects, attributes, and benefits [11].

Building trust is not an easy and instant cases, while trust is a key foundation in doing business. It could create a good relationship among all parties. Especially in online business, because consumers could not see the product directly. Usually, they only see photos and descriptions of the product. Based on successful online transaction is believed among consumers and sellers. In the future, consumers willing to believe and accept the weaknesses of online transactions.

This study used three indicators of trust based on the theory owned by Mulyati and Gesitera [10], as follows:

1. Security in operating transaction
2. Able to take care of personal data privacy consumer
3. Reliability in operating his business

In doing online business, online customer review influence interest buys. Online Customer Review contains information and evaluation of the product. With that information, consumers could know the product quality they are looking for [12]. Consumer interest degree could be influenced by the informative review and objective evaluation.

H1: online customer reviews take effect by positive and significant to purchase intention

The existence of online customer reviews helps consumers generate trust because candidate consumers tend more believe in reviews of consumers who have experience interacting directly with the seller. Consumers' trust in the product could be seen from consumer evaluation of the benefits of the product [9].

H2: online customer reviews take effect by positive and significant to trust

Trust is a foundation and key factor in doing business. In online transactions trust can influence consumer purchase intention because they cannot see products directly so consumers need details information before making a decision. Trust is based on consumer perception of how seller can fulfill their satisfaction and how experience they manage their business [13].

H3: _ trust take effect by positive and significant to purchase intention

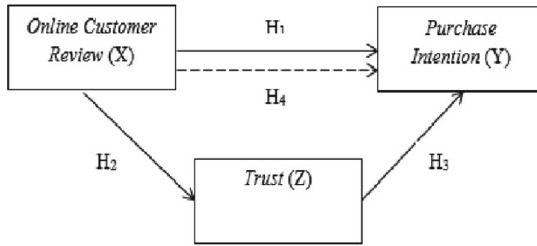


Fig. 1. Design Study

There are four stages in the purchase intention process called AIDA: action when the consumer starts to learn about the product; interest when the consumer starts interested in buying; desire when the consumer starts thinking and discussing the products offered and interest to buy increase; and action when the consumer convinced to purchase the product. In the Interest stage, consumers could take advantage of online customer reviews to look for information-related products offered. In this stage purchase intention is abbreviated as CAB: cognitive, affect, and behavior. One of them Cognitive is trusting somebody with something product/brand. The consumer who has trust will make a purchase.

H4: online customer review take effect no direct to purchase intention through trust

3 Research Methods

This study tests influence of online customer reviews to purchase intention through trust. The questionnaire was distributed online using social media to get the respondents' responses. The total sample for this study is 246 respondents. This study analyzes the data using WarpPls software (Fig. 1).

4 Result and Discussion

4.1 Demographic Respondent

The majority of respondents were 22–26 years old (58.5%) while 18–21 years old was 41.5%. Respondents were dominated by women with 93.9% and men with 6.1%. The total respondents who live in Malang are 76.4% and 23.6% are domiciled out of Malang (Fig. 2).

4.2 PLS Analysis Results

4.2.1 Measurement Model Evaluation (*Outer Model*)

The outer model is used to evaluate the validity and reliability of indicators-formation latent construct.

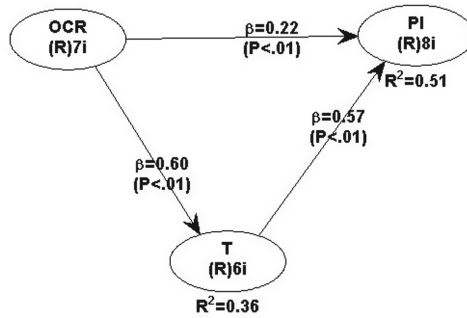


Fig. 2. PLS path diagram

Table 1. Test Reliability

Variable	Composite Reliability
Online Customer Reviews	0.876
Purchase Intention	0.897
Trust	0.915

- *Reliability Indicators*

It is used to evaluate the outer model based on variance from indicator/item to explain the latent construct. The ideal loading factor score to measure the variable is more than 0.7, when the score is just 0.5 or 0.4, it can be tolerated. Based on the analysis result, all indicators/items of online customer review, purchase intention, and trust variables are reliable as they fulfill the minimum standard measurement of reliability indicators.

- *Internal Consistency Reliability*

It is used to test the indicators/items of the instrument. The test can be done two times to get accurate results. The calculation could be used for the test reliability construct (composite reliability). With criteria testing score worth more than 0.7 then declared reliable. Table 1 shows the results calculations:

Based on Table 1 is known that the score composite reliability on variable online customer review, purchase intention, and trust is more than 0.7. Thereby all items stated are reliable.

- *Convergent Validity*

It is used to test the correlation among the constructs. Every indicator in the measure variable is known through Average Variance Extracted (AVE). The instrument is valid if the AVE score is above 0.5. Test results as follow:

Table 2. Convergent Validity (AVE)

Variable	AVE	Information
Online Customer Reviews	0.505	Valid
Purchase Intention	0.529	Valid
Trust	0.643	Valid

Table 3. Discriminant Validity

Variable	Online Customer Reviews	Purchase Intention	Trust
Online Customer Reviews	(0.711)	0.534	0.576
Purchase Intention	0.534	(0.727)	0.681
Trust	0.576	0.681	(0.802)

Based on Table 2 is known that all variables are valid as the AVE score is more than 0.5.

- *Discriminant Validity*

It uses to test items from two of the supposed uncorrelated constructs. Validity discriminant is calculated to use the root square of AVE with criteria that if the score root square is higher than the correlation between latent construct, the respondents will not have difficulties answering the questionnaires. The result of the calculation showed in Table 3.

All variables show results root square of AVE bigger than the root square of AVE on variable other. With this declared valid and respondents did not experience difficulty in answering the statement questionnaire.

4.2.2 Structural Model Evaluation (Inner Model)

The inner model aims to predict the connection between a latent variable by seeing how big variance can be explained and knowing the P-value significance.

- *Goodness of Fit (GoF)*

GoF is used for knowing the ability of Online Customer Review as an independent variable against Purchase Intention and Trust. In PLS analysis using an adjusted R-squared (ARC) value, it shows how many percentage variations endogenous constructs can explain by constructing its exogenous. If the R-square value is less than 0.70 then the model is stated strong enough, if the value is less than 0.45 then the model is stated medium if the value is less than 0.25 then the model is stated weakly. Besides GoF tests, Q-squared scores are also used to evaluate the validity of predictive or relevant latent

Table 4. Adjusted R-squared and Q-squared

Endogenous variable	Adjusted R-Squared	Decision	Q-squared	Decision
Purchase intention	0.509	Strong	0.512	Good
Trust	0.353	Medium	0.354	Good

Table 5. Model Fit and *Quality Indices*

Model Fit Quality Indices	Result	Criteria	Decision
Average path coefficient (APC)	4.462, $P < 0.001$	$p\text{-value} < 5\%$	Accepted
Average R-Square (ARS)	4.435, $P < 0.001$	$p\text{-value} < 5\%$	Accepted
Average Adjusted R-Square (AARS)	4.431, $P < 0.001$	$p\text{-value} < 5\%$	Accepted
Average block VIF (AVIC)	1.470	≤ 5 , or ideally ≤ 3.3	Ideal
Average full collinearity VIF (AFVIF)	1.893	≤ 5 , or ideally ≤ 3.3	Ideal
Tenenhaus GoF	0.493	Small ≥ 0.1 , medium ≥ 0.25 , large ≥ 0.36	Large
Sympson's paradox ratio (SPR)	1.000	≥ 0.7 , or ideally = 1	Ideal
R-squared contribution ratio (RSCR)	1.000	≥ 0.9 , or ideally = 1	Ideal
Statistical Suppression ratio (SSR)	1.000	≥ 0.7	Accepted
Nonlinear bivariate causality direction ratio (NLBCDR)	1.000	≥ 0.7	Accepted

variables. Adjusted R-squared and Q-squared calculation results are presented in Table 4.

The adjusted R-squared of Intention is 0.509 or 50.9% which means predicate strong. This thing shows that contribution of online customer reviews to purchase intention is 50.9%. The purchase Intention square value is more than zero which is equal to 0.512. It means Purchase Intention declared has a good predictor validity. The adjusted R-squared value of Trust is 0.353 or 35.3% which means predicate medium. It shows that contribution of online customer reviews to trust is about 35.3%. The Q-squared score is 0.354 which is bigger than zero, so it is declared to have good predictive validity.

Goodness of Fit also can be seen through model fit and quality indices. It shows in the Table 5.

Based on Table 5 can be concluded that the index Average Path Coefficient (APC), Average R-squared (ARS), and Average Adjusted R-squared (AARS) has a P value

Table 6. Hypothesis Testing

EXV	IV	EDV	Path coefficient	IE	SE	p-value
OCR	-	PI	0.222	-	0.058	<0.001
OCR	-	Trust	0.597	-	0.057	<0.001
Trust	-	PI	0.567	-	0.058	<0.001
OCR	Trust	PI	-	0.338	0.184	<0.001

Note: EXV = Exogenous variable

EDV = Endogenous variable

IV = Intervening variable

IE = Indirect effect

PI = Purchase intention

is 0.001. Results of the three models were smaller from the criteria P value _ level of significance of 5% (0.05). The value of Index Average Block VIF (AVIF) yields is 1,470 while Average Full Collinearity VIF (AFVIF) is 1,893. It shows that both scores are smaller than 5, even smaller than the ideal value of 3.3. As a result, they could be accepted and not contain multicollinearity. Index Tenenhaus GoF (GoF) generates value 0.493. It shows the score is more than 0.36. Based on the criteria results index Tenenhaus GoF (GoF) PLS model, the study was declared to have strength prediction. In Sympton's Paradox Ratio (SPR), the score of Statistical Suppression Ratio (SSR) and Nonlinear Bivariate Causality Direction Ratio (NLBCDR) is 1, which is bigger than 0.7, which means the ideal category. So, SPR, SSR, and NLBCDR are accepted. The R-Squared Contribution Ratio (RSCR) score is 1 also, which is bigger than 0.9, so the RSCR is also accepted.

4.2.3 Hypothesis Test

The hypothesis test is used to test the influence of the independent variable on the dependent variable directly and indirectly. The criteria testing is if coefficient track worth positive and P-Value < value level of significance (alpha = 5%) or 0.05, they have a positive and significant effect among independent variable on the dependent variable. The hypothesis test result is as follows Table 6:

The hypothesis test results are as follows: (H1) The path coefficient value of online customer review to purchase intention is 0.222 with P-Value < 0.001. (H2) The path coefficient value of online customer review to trust of 0.597 with P-Value < 0.001. (H3) The Trust path coefficient value to Purchase Intention is 0.567 with P-Value < 0.001. (H4) Indirect path coefficient value is 0.338 with P-Value < 0.001.

4.3 Discussion

Based on the hypothesis test results, the first hypothesis is accepted. It is in line with previous studies results that mentioned that Online Customer reviews have a positive influence on Purchase Intentions [3]. In addition, another study [14] also showed in their study that Online Reviews have a positive influence too on Purchase Intentions. So, it

can be concluded that online reviews influence the degree of intention to buy products or services. The second hypothesis is also accepted. This result is similar to Widya and Riptiono's (2019) study that stated Online Customer Reviews affect Consumer Trust positively and significantly. Besides that, another study also shows that Online reviews give a positive impact to trust [15]. Furthermore, Online Customer Reviews help customers to know the products better. As a result, it can help them build a sense of trust.

Hypothesis 3 is also accepted. The study result showed Trust impact positively on Purchase Intention. Earlier research by Liu et al. [16] said that Trust is an influential factor in increasing the interest of consumers in products. Moreover, the same result [17] also mentioned that Trust influences interest buy positively. It can conclude that Trust has a significant role in causing interest to buy, especially the more customer trust in products, the higher interest to buy them.

The last hypothesis is accepted as similar to the results of Park, Sutherland, and Lee's [18] research that showed Trust could mediate and influence the connection between online customer reviews and purchase intention. Stouthusyen's et al. [19] research results mentioned that Online Consumer reviews affect purchase intention with Trust as mediation. The presence of an Online Customer Review containing information about products can arouse interest to buy because it can build confidence in candidate consumers to fulfill good desires and needs as suitable his expectations.

5 Conclusion

The conclusion of the research is based on a study result about Online Customer Reviews of Purchase Intention through Trust as follows:

- 1) The results showed that the grand mean score of Online Customer Reviews variables could be categorized as good because the meaning of the present contents information review could convince candidate consumers to choose the product. As well as the Purchase intention and Trust, the grand mean score also can be categorized as good. It means the quality and capabilities of the product can cause an intentional purchase and build confidence in the consumer.
- 2) It has been proven that online customer reviews influence customers' purchase intentions significantly. It means that consumers get to benefit from the information through online reviews. A better response to online customer reviews arises encouragement of consumers to buy the products.
- 3) The results have been proven positive and significant effect of Online customer reviews on Trust. It means the positive content from Online customer reviews can boost consumers' Trust.
- 4) Trust has a positive and significant effect on Purchase intention. It means the more consumer trust, the more interest buy. Otherwise, building trust is critical in running a business because it impacts customer purchase intention.
- 5) Based on the results, it has been proven that Trust can mediate the influence between Online Customer reviews and Purchase intentions. There is a positive and significant influence between online customer reviews and purchase intention through Trust.

Further research should apply in other industries as object research to explore more the influence of Online customer reviews to purchase intention mediated by Trust. It also can use other variables that affect the purchase intention as a rating, viral marketing, and celebrity endorser.

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