
**THE INFLUENCE OF CONSUMER REVIEWS AND ONLINE PAYMENT SYSTEMS
CASH ON DELIVERY (COD) AGAINST TRUST CONSUMERS IN PURCHASES
PRODUCTS ON APPLICATION SHOPEE**

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ABSTRAK

RAHMADANI, S. 2024. *The influence of consumer reviews and the Cash On Delivery (COD) online payment system on consumer confidence in purchasing products on the Shopee application. Thesis. Department of Management, Faculty of Economics and Business, University of Muhammadiyah Makassar. Mentored by: Buyung Romadhoni and Sherry Edelia Natsir Kalla.*

This research is a type of quantitative research with the aim of determining the Effect of Consumer Reviews and Cash On Delivery (COD) online payment systems on consumer confidence in purchasing products on the Shopee Application. The type of data used in this study is quantitative data obtained from questionnaires distributed and related to the problem studied. Data collection is carried out by observation and distribution of questionnaires. In this study, the data sources used in data collection include primary data and secondary data. The research instrument used in this study was using the Likert scale method. The results showed data using statistical calculations through the Statistical Package for the Social Science (SPSS) application version 25 regarding the Effect of Consumer Reviews and the Cash On Delivery (COD) online payment system on consumer confidence in purchasing products on the Shopee Application which has been discussed from the previous chapter, the author draws important conclusions, namely consumer reviews and cash on delivery. This means that consumer reviews have a positive and significant effect on the Cash on Delivery payment system in purchasing products on the Shopee application.

Keywords : *Online consumer ulasans, Cash on Delivery*

INTRODUCTION

By utilizing the *internet* network, all information obtained is no longer limited to space and time according to Halisa (2022). Currently, the Asian continent is in the first place of *the largest internet* users in the world, which puts Indonesia in 3rd place in Asia. Based on the results of the *Internet World Statistics 2023* survey, the number of *Internet* users in Indonesia ranks third in Asia with 212,354,070 users out of a total population of 278,268,685 people. This will be a great opportunity for Indonesian traders to do business online.

Customer reviews are a way to get information about products whether it's from product quality, product descriptions, shipping to prices. Product reviews can be an alternative for *customers* to be able to consider purchasing decisions whether the goods are appropriate or not listed on *online media* according to Vernandi (2023). The emergence of *online media* can make it easier for business entity users to carry out buying and selling trading activities *online* using mobile phones / smartphones. So that business people can do business transactions at home without having to come to rent a place of business. This can be seen from the increasing number of internet users and the large number of public enthusiasm in transacting *online* according to Choridah (2023).

Online *transactions* in *buying and selling online* are online *buying and selling activities* where merchants and buyers do not need to come to approach in conducting negotiations and transactions face-to-face. The communication that can be used by buyers and sellers can be through various ways such as chat, telephone, sms, and others according to Pratama (2020). In line with the opinion of Setyorini, et al (2019) who said that *online transactions* are transactions that can be carried out by buyers and sellers through *online* media and there is no direct meeting between buyers and sellers.

Online *transactions* made by buyers through online shop applications, one of which is the Shopee application which is commonly dubbed as *an orange* store that provides several products that are quite complete so that it makes many *customers* interested in shopping in the Shopee application. Shopee is one of the *e-commerce* that has high success in Indonesia. The Shopee company was introduced to Indonesia in 2015 in other words Shopee has been established for eight years and has been downloaded by more than 100 million users on the *play store*. This happens because Shopee can meet products, has competitive prices and is relatively cheap and has ease in the payment process according to Pratama (2020).

The payment system on Shopee is divided into two, namely non-cash or cash payment systems. Shopee provides guarantees to consumers through a payment security system protected by the Financial Services Authority (OJK). Shopee users have the right to choose a payment system that facilitates the transaction process. If consumers do not have ATMs, credit, m-banking, or credit cards, then consumers can make payments at Indomaret or Alfamart outlets and Shopee offers a *Cash On Delivery* (COD) payment system or pay on the spot.

This research focuses on the *cash on delivery* (COD) payment system. Mayangsari & Aminah (2022) *cash on delivery* (COD) is a cash payment method whose payment process is carried out after the goods are received by the *customer*. The COD payment method is able to increase *customer* confidence in shopping online. This can be seen from the COD service indicator which states that (1) security, COD services are able to increase transaction security from fraud threats. (2) Privacy, COD services are able to minimize the spread of consumer personal data so that there is no misuse of personal data such as credit cards or *e-money*. (3) Trust, COD services are able to increase *customer* confidence in transactions because payments are made after the goods reach the hands of *Haleweh customers* (Mayangsari & Aminah, 2022).

Consumer reviews are very influential in the process of buying a product in the Shopee application. This is supported by the number of *customers* who pay attention to reviews before making a purchase of the item. Consumer reviews are an opinion from previous buyers regarding goods, quality, delivery and the level of product safety until it reaches the hands of consumers. Consumer reviews can be in the form of videos, photos or sentences containing criticism and suggestions related to the product.

Based on the background described above and several previous studies, so researchers are interested in researching consumer reviews using the *Cash On Delivery* (COD) payment system. So the researcher is interested in a study entitled "The Effect of Consumer Reviews and Cash On Delivery (COD) Online Payment Systems on Consumer Trust in Purchasing Products on the Shopee Application"

RESEARCH METHODS

To determine the effect of consumer reviews and cash on delivery (cod) online payment systems on consumer confidence in purchasing products on the shopee application in this study using a quantitative approach. According to Sugiono (2017), Quantitative Research is a type of research that is often used in researching on populations or samples by collecting these data using research instruments and analyzing quantitative or statistical data to test hypotheses set at the beginning of the study

The data collection technique in this study uses a Survey Technique or questionnaire conducted through Google Form. Questionnaire or questionnaire is data collection by distributing questionnaires online with a list of questions related to research to existing respondents. This is so that the author can get a response back from respondents for research purposes. According to its form, the researcher uses a closed direct questionnaire, which is a questionnaire designed in such a way as to record data about the situation experienced by the respondent himself, then all alternative answers that must be answered by the respondent are listed in the questionnaire. The scale technique used is the Likert scale technique which is designed to test the respondent's level of agreement (degree of agreement) with a question or statement. Generally, the level of agreement has statements ranging from very positive to very negative where the respondent is asked to fill in the available options that match his assessment with an assessment score of (1) Strongly disagree, (2) Disagree, (3) Disagree, (4) Agree, and (5) Strongly Agree.

RESULTS AND DISCUSSION

Table 4.7 Reliability test results

No	Variable	Cronbach Alpha	N of Items
1	Consumer reviews (X1)	0.929	12
2	Cash on delivery (X2)	0.783	9
3	Trust (Y)	0.954	15

(Source: Data processed by researchers 2024)

Based on table 4.7 above, it shows that all variables have a fairly large Alpha coefficient, which is above 0.60 so that it can be said that all measuring concepts of each variable from the questionnaire are reliable so that henceforth the items in each variable concept are suitable to be used as a measuring tool.

**Table 4.8
Multicollinearity Test Results**

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error				Beta	Tolerance
1	(Constant)	-11,032	4,768		-2,314	0,024		
	Ulasan konsumen	0,790	0,115	0,619	6,872	0,000	0,348	2,878
	Cash on Delivery	0,801	0,212	0,341	3,781	0,000	0,348	2,878

a. Dependent Variable: Kepercayaan

Source : data processed from SPSS, March 2024

A multicollinearity test is performed to determine whether there is a high or perfect correlation between the independent variables in the regression model. This test can be done by looking at the tolerance value and the value of *Tolerance* and *Variance Inflation Factor (VIF)*. Testing can be done by looking at the value of *Tolerance* and *Variance Inflation Factor (VIF)* in the regression model. The decision-making criteria related to the multicollinearity test are as follows (Ghozali, 2016):

1. If the VIF value < 10 or *the Tolerance value* < 0.01 , then it is stated that multicollinearity does not occur.
2. If the VIF value > 10 or *the Tolerance value* > 0.01 , then multicollinearity occurs.

Based on the table above, the Consumer Review variable (X1) and Cash on Delivery (COD) variable (X2) do not contain multicollinearity because *the Tolerance value is* $2.878 > 0.01$ and the VIF value is $2.878 < 10$.

**Table 4.10
Partial test result (Test – t)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-11,032	4,768		-2,314	0,024
	Consumer reviews	0,790	0,115	0,619	6,872	0,000
	Cash on delivery	0,801	0,212	0,341	3,781	0,000

Source: Data processed by SPSS 2024

Based on the results addressed in table 4.10 above can be seen namely on the value of t , obtained in the appendix

1. For variable (X1) Consumer reviews obtained t count 6.872 greater than t table = 0.2500 ($6.872 > 0.2500$) with a signitification level of 0.000 which means H_0 is rejected and H_1 is accepted. Thus, consumer reviews of trust are influential in Product Purchases on the Shopee application.
2. For variable (X2) Cash on Delivery obtained t count 3.781 greater than t table = 0.2500 ($3.781 > 0.2500$) with a signitification level of 0.000 which means H_0 is rejected and H_1 is accepted. Thus, the second hypothesis in this study proves the meaning of the *Cash On Delivery* (COD) online payment system to influential trust in Product Purchases on the Shopee application.

Discussion

Answering from the first problem formulation and hypothesis can be seen from the results of the partial test analysis table 4.10 from the table results show that consumer review variables have a positive and significant effect on consumer confidence. This is intended from the results of the t -test known that there is a significant influence between the variables Consumer Reviews (X1), Cash on Delivery (X2) and the variable trust (Y). This is evidenced by the results of t -test calculations with the help of SPSS and obtained t count 6.872 greater than t table = 0.2500 ($6.872 > 0.2500$) with a signitification level of 0.000 which means H_0 is rejected and H_1 is accepted. Thus, the level of consumer trust in a product can be influenced by the quality of reviews they see or read on the *Shopee* marketplace..

Facts in the field prove that when consumers want to make purchases on the *Shopee* marketplace, the first thing consumers consider is the reviews of previous buyers. When reviews read by consumers mostly lead to positive things on a product or item, it can be ascertained that the level of consumer trust is higher, on the contrary, when consumers previously gave negative reviews, the level of consumer trust will decrease. Consumer reviews are one of the important reasons for making a consumer purchase decision.

The results of the analysis show that the *Cash on Delivery* variable has a positive and significant influence on consumer confidence in purchasing products on the *Shopee* application. This is evidenced by the results of the t -test calculation with the help of SPSS and *Cash on Delivery* obtained t count 3.781 greater than t table = 0.2500 ($3.781 > 0.2500$) with a signitification level of 0.000 which means H_0 is rejected and H_1 is accepted.

Cash on Delivery has an influence on two indicators including Security and Trust. From these two indicators, it can be illustrated that the *Cash on Delivery* transaction process is equipped with security to make consumers have the confidence to buy an item. The fact in the field consumers use the *Cash on Delivery* method just in case when the ordered goods do not arrive or the goods fail to be delivered, consumers will not bother to take care of refunds to the store. So *Cash on Delivery* is one of the transaction methods that is safe enough to use when shopping in *e-commerce*.

CONCLUSION

Based on the results of data analysis and discussion on the Effect of Consumer Reviews on Trust in Cash On Delivery (COD) Payment Systems in Product Purchases on the Shopee Application, the results of this study can be concluded as follows:

Consumer reviews have a positive and significant effect on trust in Product Purchases on the Shopee application. This is evidenced by the value of consumer reviews obtained t count 6.872 greater than t table = 0.2500 ($6.872 > 0.2500$) with a signitification level of 0.000 which means H0 rejected and H1 accepted.

The Cash on Delivery (COD) payment system has a positive and significant effect on consumer confidence in purchasing products on the Shopee Cash on Deliver application. This is evidenced by the value obtained t count 3.781 greater than t table = 0.2500 ($3.781 > 0.2500$) with a signitification level of 0.000 which means H0 is rejected and H1 is accepted .

This shows that the quality of the review results is good and in accordance with consumer expectations, then consumer satisfaction will increase significantly.

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