



Regular article

# The Effect of Online Customer Review and Online Customer Rating on Purchase Decision with Brand Image as Mediation on Shopee Marketplace in Medan City

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## ABSTRACT

Shopee is one of the online shopping places in Indonesia that allows individuals, small shops, and brands to make online transactions. The Brand Image owned by Shopee is already known to the Indonesian people compared to several other e-commerce platforms. The purpose of this study is to analyze "The Effect of Online Customer Review and Online Customer Rating on Purchase Decision with Brand Image as mediation on Shopee Marketplace in Medan City". The data collected in this study are primary data and secondary data, which are collected through data collection instruments in the form of questionnaires, interviews and documentation studies. The sample in this study was 150 respondents. This study uses quantitative data, with the Partial Least Square (PLS) method. The test results show that partially brand image has a significant effect on purchase decision, online customer review has a significant effect on brand image, online customer review does not have a significant effect on purchase decision, online customer rating has a significant effect on brand image, online customer rating has a significant effect on purchase decision. Brand image as an intervening variable does not have a significant impact in increasing the influence of online customer rating on purchase decision. Brand image as an intervening variable as an intervening variable has a significant impact between the influence of online customer review on purchase decision.

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## Introduction

Marketplace has become one of the platforms that is considered and has a wide reach and is a major strategy in expanding business reach and creating new opportunities for business actors. The existence of a Marketplace can help to facilitate the reach of business access, relatively low operational costs, and wide market reach make the marketplace a strategic choice for small and large businesses by joining the marketplace, business actors can reach consumers in various regions and even internationally (Vasudeva et al., 2022). In addition, the marketplace provides technical and marketing support, as well as transaction security for buyers and sellers. In this case, the marketplace not only functions as an online sales platform, but also as a strategic partner in developing MSME businesses. (Saputri et al., 2023). The marketplace

provides an integrated transaction system, from ordering to payment and delivery.

Thus, business people can focus on product development and marketing strategies without having to worry about complex operational processes. Selling in the marketplace does not require large capital for physical space rental, inventory management, or additional labor. Simply by having a product ready to sell and the right marketing strategy, the business can run at a more affordable cost. Big marketplaces like Shopee and Lazada already have a trusted reputation and security system, so customers feel more comfortable shopping. This also helps new businesses to gain consumer trust faster. Marketplaces provide various promotional features such as discounts, cashback, and paid advertising that can help increase product visibility among

competitors. By utilizing these features, businesses can attract more customers and increase sales.

Shopee as an online shopping platform that has more than 100 million users on the Play Store application. When it first appeared, Shopee tried to create a positive image by launching a "free shipping" campaign. Since the launch of this campaign, the growth in the number of visitors to the Shopee website has increased significantly. Shopee also has a sale program once a month, namely on twin dates such as 1.1 on the first of the first month, with promos and discounts of up to 75%. Shopee also holds flash sales every day at certain hours where 1 product is sold for up to 1 rupiah such as smartphones, electronic devices, fashion and so on. Shopee is one of the online shopping places in Indonesia that allows individuals, small shops, and brands to make online transactions. The brand image owned by Shopee is already recognized by the Indonesian people compared to several other e-commerce platforms. According to Keller (2013), brand image is defined as a perception of a brand that reflects consumer memory in its association with a brand.

Based on SimilarWeb data, five e-commerce platforms are ranked at the top with the most visitors. However, these five platforms also seem to have experienced a decline in visitors. When viewed globally, Shopee had 235.9 million visitors during 2024. Despite having the most visitors, SimilarWeb noted that the Singaporean e-commerce platform experienced a decline in visitors of up to 4.01%. Next, Tokopedia is the online shopping platform with the second highest number of visitors in Indonesia. Globally, Tokopedia's visitors reached 100.3 million people. The figure is down 0.04% compared to the previous month. Just like Shopee, visitors to Lazada also experienced a decline. The company owned by Alibaba Group experienced a 4.75% market to market decline in visitors to 45.03 million people in 2024. Then, Blibli, a subsidiary of Djarum, also recorded a decline in visitors, which was 7.74% market to market.

In February 2024, SimilarWeb data showed that Blibli had 24.15 million visitors. Then, Bukalapak also entered the top five e-commerce sites with the most visitors. Globally, Bukalapak reached 4.42 million visitors in February 2024. The Bukalapak platform experienced the deepest decline in visitors, reaching 22.86% compared to the previous month. Meanwhile, based on research from Kompas.co.id, Shopee had a sales value of IDR 3.2 trillion or a market share of 64.2% in Indonesia in February 2024. Meanwhile, Tokopedia had a sales value of IDR 631 million or a market share of 12.3% and Blibli with a sales value of IDR 60 million or a market share of 1.1%.

Research conducted by Wijaya (2025) describes that in 2022-2023 or for 2 years, the achievement of sales targets in sub-districts in the city of Medan can be seen in Table 1 below:

Table 1. Marketplace Sales Target Achievement in Medan City

Subdistrict	Sales target achievement				Total
	Target Achieved 100%	Target Achieved 50%-70%	Target Achieved 30%-50%	Target Achieved <30%	
Medan Sunggal	4	6	3	2	15
Medan Johor	8	10	7	5	30
Medan Petisa	10	12	9	7	38
Medan Area	9	11	8	6	33
Medan Kota	9	12	8	5	38
Medan Denai	6	8	5	4	23
Total	46	59	40	29	177

Source: <https://orbitdigitaldaily.com/peranan-marketplace-untuk-meningkatkan-pemasaran-dan-penjualan-produk-umkm-di-kota-medan>. 2025

In Table 1, it is clear that business actors who successfully utilized the marketplace, 46 people (26.44%) achieved 100% of their sales target, 59 people (33.91%) achieved their target up to a maximum of 75%. 40 business actors (22.99%) achieved only a maximum of 50% of their sales target, and the remaining 29 business actors (16.67%) only achieved less than 30% of their target. The sales target of business actors who were achieved well up to a maximum of 75% was 63.58%. This figure is already quite good because its value is above 50%. This means that overall from the achievement of the sales target, 105 business actors successfully partnered with the marketplace in an effort to market and sell their products. This makes it possible that in the future there will be more and more small business actors who use the marketplace in marketing their products, which will greatly help their efforts to increase online sales in an effort to increase their market share. This is a good reality for small business actors who have products that have the potential to be accepted by consumers, sold using the marketplace. This means that the existence of a marketplace is a good alternative to increase future sales value.

Based on the description of the background of the problem above, it shows that the influence of online customer reviews and online customer ratings with brand image on purchase decisions has different results, the results of previous studies support this, so researchers are interested in developing research with the title "The influence of online customer reviews and online customer ratings on purchase decisions with brand image as a mediating variable on the Shopee Marketplace in Medan City".

## Literature Review

### Digital Marketing

Digital marketing is a modern and promising form of marketing to improve the company's business performance. The advantage of this strategy is that it allows advertisers to communicate directly with potential customers without any obstacles caused by time and geographic location constraints (Nurchaeho and Riskayanto, 2018).

### Purchase decision

Every organizational activity related to marketing aims to create consumer intentions to make purchase decisions. According to Halim and Sutanto (2021), purchase decisions can form preferences between brands in a group of choices. Consumers may form preferences to make purchases based on the brands they like.

### Online customer review

Online Customer Review A major factor that buyers pay attention to so that it can influence their trust in making online purchases (Mulyati & Gesitera, 2020). Online customer reviews can be a powerful advertising tool in marketing communications. So this is called a very meaningful tool for making online purchases if the reviews are good for a product. This behavior can provide trust to the point of giving rise to a desire to make a purchase in that store (Kamisa et al., 2022). Based on these studies, the following hypotheses are proposed: Hypothesis 1: The influence of online customer reviews on brand image. Hypothesis 2: The influence of online customer reviews on purchase decisions. Hypothesis 3: The influence of online customer reviews on purchase decisions through brand image as a mediator.

### Online customer rating

Online customer rating is a comment from consumers on a certain scale. A program that is known to many people is to give stars to online stores after they shop at the store. The star rating shows how satisfied the buyer is after shopping at an online store. The more buyers who give stars, the higher the sales ranking. Ratings are made by previous consumers who have purchased products online which are then published on websites or sales stores. Generally, ratings are a way for consumers to provide feedback to sellers. (Maya et al., 2019). Based on these studies, the following hypotheses are proposed: Hypothesis 4: The influence of online customer ratings on brand image. Hypothesis 5: The influence of online customer ratings on purchase decisions. Hypothesis 6: The influence of online customer ratings on purchase decisions through brand image as a mediator.

### Brand image

According to Kotler et al., (2017), brand image must convey the benefits and positioning of a distinctive product. Even when competing offerings look the same, buyers perceive differences based on brand

image differentiation. According to Kotler & Keller (2016), brand image describes extrinsic properties, meaning things that can be seen or assessed even before consumers or people use a product or service, including how the brand can meet the social and psychological needs of consumers. Based on these studies, the following hypotheses are proposed: Hypothesis 7: The influence of brand image on purchase decisions.

Drawing from the literature review and prior studies, a conceptual framework can be developed. Sugiyono (2016) defines the conceptual framework as a representation of the research variables and how theories connect to the variables being investigated, specifically the independent and dependent variables. The conceptual relationships between these variables will be described as follows:

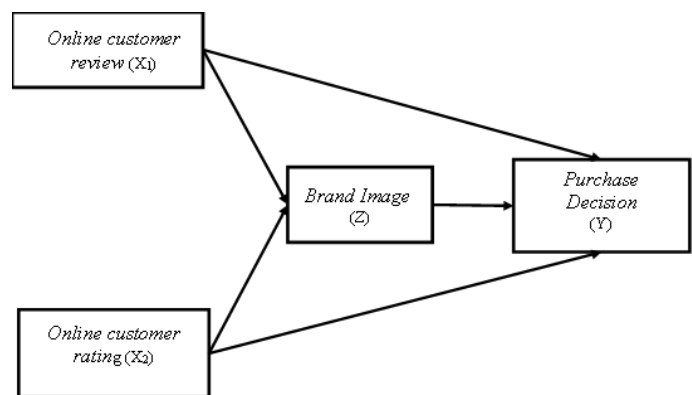


Figure 1 Conceptual Framework

## Methodology

### Research Population and Sample

The population in this study were consumers who made online transactions at the Shopee Marketplace in Medan City with an unknown number of respondents. A total of 150 samples were selected for this study. The selection of consumers as samples (respondents) in this study used the purposive sampling technique, namely the technique of determining samples with certain considerations, Sugiyono (2016). Certain considerations are intended in the selection of respondents who have certain characteristics, namely consumers who are over 17 years old and have made purchases and have used the Shopee application at least 2 times.

### Data analysis

In this study, using Structural Equation Model data analysis, with the help of Partial Least Square software. SEM (Structural Equation Modeling) is widely used in various fields of science and developed as a way out of various difficulties that occur in multivariate analysis and functions to examine one or two variables simultaneously against the dependent. Latan (2012) in Haryono (2017), said that the structural equation model (Structural Equation Modeling) is a second-generation

multivariate analysis technique that combines analysis factors and paths so that researchers can test and estimate simultaneously the relationship between multiple exogenous and endogenous with many indicators. The structural equation model (Structural Equation Modeling) is a second-generation multivariate technique that allows researchers to test the relationship between complex variables, both recursive and non-recursive, to obtain a comprehensive picture of the entire model (Haryono, 2017).

## Research Result

### Descriptive Analysis Results

#### Respondent Characteristics Based on Gender

According to Ghazali (2016), descriptive statistics are performed to understand and summarize the data utilized in research, focusing on the average value (mean). These statistics offer a clearer and more accessible interpretation of the data. The table includes the frequency of data along with their percentages, minimum and maximum values, and average values, which are derived from the responses collected from participants.

Table 2. Respondents by Gender

No	Gender	Number of people)	%
1	Woman	116	77
2	Man	34	23
	Amount	150	100

Source: Research Results, 2025 (processed data)

Based on the above, the most common gender when filling out the questionnaire was female, indicating that women are the ones who shop the most, thus providing input and suggestions for assessing the Shopee Marketplace in Medan City.

#### Respondent Characteristics Based on Occupation

Table 3. Respondents Based on Occupation

No	Work	Number of people)	%
1	Student	23	15,33
2	Private employees	42	28,00
3	Government employees	35	23,33
4	Self-employed	26	17,33
5	Housewife	24	16,00
	Amount	150	100,00

Source: Research Results, 2025 (processed data)

Based on the table above, the most common type of work is private employees, then the second type of work is civil servants, and the last is

students. When viewed from the type of work, it shows that respondents who transact on the Shopee marketplace are diverse, this illustrates that respondents consider the Shopee marketplace as an online application that must be used according to the needs of respondents.

### Hypothesis Test Results

Testing the mediation effect in analytical research using PLS with the procedure developed by Ghazali and Latan (2015), as follows :

1. The first model, namely testing the influence of exogenous variables on endogenous variables and must be significant at t statistics > 1.96
2. The second model, namely testing the influence of exogenous variables on mediating variables and must be significant at t statistics > 1.96
3. The third model, namely simultaneously testing the influence of exogenous and mediating variables on endogenous variables.

Table 4. Hypothesis Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Brand Image -> Purchase Decision	0,346	0,358	0,114	3,041	<b>0,002</b>
Online customer Rating -> Brand Image	0,684	0,680	0,080	8,521	<b>0,000</b>
Online customer Rating -> Purchase Decision	0,217	0,216	0,116	1,876	<b>0,061</b>
Online customer review_ -> Brand Image	0,188	0,195	0,078	2,412	<b>0,016</b>
Online customer review_ -> Purchase Decision	0,163	0,161	0,110	1,483	<b>0,139</b>
<b>Online customer Rating -&gt; Brand Image -&gt; Purchase Decision</b>	0,237	0,243	0,080	2,955	<b>0,003</b>
<b>Online customer review_ -&gt; Brand Image -&gt; Purchase Decision</b>	0,065	0,071	0,038	1,722	<b>0,086</b>

Source: Research Results, 2025 (processed data)

## Discussion

### The influence of online customer reviews on brand image

The results of this study affirm that online customer reviews have a significant and positive effect on brand image. This finding is consistent with prior studies by Gunawan and Pertiwi (2022), as well as Kusuma and Wijaya (2022), which showed that consumer-generated reviews—both positive and negative—play a key role in shaping public perception of a product or platform. In Shopee's case, customer feedback builds a sense of transparency and trust. Respondents largely agreed that online reviews help inform their shopping decisions, with many stating that reviews provide relevant and honest insights about product quality, completeness, and authenticity. They also indicated that the volume and

tone of reviews contributed to their trust in Shopee as a marketplace.

However, while online customer reviews positively influence brand image, the study found that their direct impact on purchase decisions may remain limited, especially in cases where consumers feel overwhelmed by conflicting information or lack emotional connection to the product. To bridge this gap, Shopee can leverage its enhanced brand image as a tool to amplify the effect of reviews on actual purchase behavior.

Specifically, Shopee can implement emotionally driven testimonial campaigns that humanize the review experience. By showcasing real stories from customers—especially those expressing how Shopee helped them during significant moments (e.g., gifting during holidays, finding urgent items for family needs, or supporting small business purchases)—Shopee can evoke emotional resonance. These narratives should go beyond rating stars and delve into personal relevance, creating a stronger psychological link between brand image and buyer intention. Moreover, Shopee can spotlight trusted reviewers or micro-influencers whose values align with its brand identity, thus reinforcing credibility. Emotional testimonial videos, Instagram reels, or TikTok stories with genuine reactions and user experiences can make the platform feel more relatable and trustworthy. These efforts, when paired with Shopee's strong brand image, can counterbalance the limitations of textual reviews alone, nudging consumers from passive interest toward active purchasing decisions.

In conclusion, while online customer reviews help build a favorable brand image, Shopee must activate this image through strategic, emotionally compelling campaigns to strengthen the conversion from trust to transaction. In doing so, Shopee transforms reviews from mere feedback into persuasive brand advocacy tools.

#### *The influence of online customer reviews on purchase decisions*

The results of the study show that partially online customer reviews do not have a significant effect on purchase decisions, meaning the direction of the effect is negative, indicating that the online customer review variable can provide good results on purchase decisions. This study is in line with previous research by Meidhiyanti (2020) which found that Online Customer Reviews have a positive but insignificant effect on Purchase Decisions. Online Customer Reviews from consumers to find information related to a product, but do not make them immediately decide to buy the product, but there are other things that need to be considered before deciding to buy. However, the study is not in line with the research of Latief and Ayustira (2020) which proves that Online Customer Reviews are the most dominant variable influencing Purchase Decisions for cosmetic products at Sociolla, the results of the study showed that the respondents' answers to Online Customer Reviews given by respondents to Purchase Decisions for products,

showed that respondents felt that Online Customer Reviews were performing their functions well.

#### *The influence of online customer reviews on purchase decisions through brand image as a mediator*

The results of this study indicate that brand image as a mediating variable has a significant impact between the influence of online customer reviews on purchase decisions. The results of this study are in line with a study conducted by Gunawan and Pertiwi (2022) which stated that online customer reviews made by consumers, both positive and negative, can build product image. Previous research shows that online customer reviews have a positive influence on brand image. Kusuma and Wijaya (2022) also emphasized that online customer reviews have a positive impact on brand image.

#### *The influence of online customer ratings on brand image*

The results of the study show that partially online customer ratings have a significant effect on brand image, meaning the direction of the influence is positive, indicating that the online customer rating variable gives good results on brand image. Brand Image is a perception and belief carried out by consumers. The brand of a product is also a consideration for consumers, because a sense of self-confidence will arise in someone if they use goods from a well-known brand. With the rating assessment, it also has a big influence on consumer purchases because the rating is a form of consumer satisfaction assessment with the number of stars, so it can affect Brand Image (Lubis & Hidayat, 2019).

The results of this study are in line with previous research by Elfira and Azhar (2024) who identified that Rating can motivate to improve the quality of their products. Through feedback from customers, it increases the brand's reputation in the eyes of consumers. Consumers tend to choose Brand Images that have high ratings because they are considered more reliable and have good quality, resulting in increased sales and purchases.

#### *The influence of online customer ratings on purchase decisions*

The results of the study showed that partially online customer ratings did not have a significant effect on purchase decisions, meaning that the direction of the influence was negative, indicating that the online customer rating variable could not provide good results on purchase decisions. The results of the answers for each respondent who answered agree and strongly agree to the statement from the online customer rating, namely that users have a positive opinion of the products offered on the Shopee Marketplace. In general, users feel satisfied when they get products on the Shopee Marketplace. The product value displayed by the information provided by the Shopee Marketplace is based on real experience. The product value displayed on the Shopee Marketplace reflects the quality of the product. The Shopee Marketplace application

is easy to access and use by users. Users can provide assessments of products on the Shopee Marketplace without a complicated process. The Shopee Marketplace shows its characteristics through competitive prices. The Shopee Marketplace always offers products by promoting shipping costs. The Shopee Marketplace has a wide customer base. Ease of shopping is an advantage that makes users shop through the Shopee Marketplace.

This study is not in line with previous research conducted by Sun et al., (2020) which showed that online customer ratings have a major influence on consumer purchasing decisions. This is because online customer ratings are a form of accurate or precise measurement of consumer satisfaction. Thus, the existence of online customer ratings makes it easier for consumers to choose products when faced with various alternative choices.

#### *The influence of online customer ratings on purchase decisions through brand image as a mediator*

The results of this study indicate that brand image as an intervening variable does not have a significant impact in increasing the influence of online customer ratings on purchase decisions. The results of this study are not in line with previous research by Elfira and Azhar (2024) which identified that Ratings can motivate to improve the quality of their products. Through feedback from customers, it increases the brand's reputation in the eyes of consumers. Consumers tend to choose Brand Images that have high ratings because they are considered more reliable and have good quality, resulting in increased sales and purchases.

#### *The influence of brand image on purchase decisions*

The results of this study indicate that partially brand image has a significant effect on purchase decisions, meaning the direction of the influence is positive, indicating that the brand image variable provides good results on purchase decisions. Brand image reflects how a brand is perceived as a whole, which is formed from a collection of information and consumer experiences that have occurred in the past. Brand image is one of the factors that influences consumer purchase decisions (Ayuningsih & Maftukhah, 2020).

Brand image is a sign or symbol in the form of words, images, or a combination of both that gives a special identity to a product (Latief et al., 2022). Brand image can create a positive impression of a product if through advertisements involving famous artists or figures, which ultimately increases the attractiveness of consumers to choose the product. Brand image shows a role in influencing consumer purchase decisions (Kausuhe et al., 2021); (Maulana & Marista, 2021); (Latief et al., 2022).

## Conclusions

Based on the results of the research and discussion, the researcher

made the following conclusions:

1. Partially, brand image has a significant effect on purchase decisions, meaning the direction of the influence is positive, indicating that the brand image variable gives good results on purchase decisions on the Shopee Marketplace in Medan City.
2. Partially, online customer reviews have a significant effect on brand image, meaning the direction of the influence is positive, indicating that the online customer review variable gives good results on brand image on the Shopee Marketplace in Medan City.
3. Partially, online customer reviews do not have a significant effect on purchase decisions, meaning the direction of the influence is negative, indicating that the online customer review variable cannot provide good results on purchase decisions on the Shopee Marketplace in Medan City.
4. Partially, online customer ratings have a significant effect on brand image, meaning the direction of the influence is positive, indicating that the online customer rating variable provides good results on brand image on the Shopee Marketplace in Medan City.
5. Partially, online customer ratings have a significant effect on purchase decisions, meaning the direction of the influence is negative, indicating that the online customer rating variable cannot provide good results on purchase decisions. on the Shopee Marketplace in Medan City.
6. Brand image as an intervening variable does not have a significant impact on increasing the influence of online customer reviews on purchase decisions.
7. Brand image as an intervening variable has a significant impact on the influence of online customer ratings on purchase decisions.

For future research will add independent variables such as product quality, price discounts, and use intervening or moderating variables so that further research can develop previous research. To enhance brand image and consumer trust, MSMEs should strategically utilize the ratings and reviews features available on digital marketplaces like Shopee. (1) Businesses must encourage customers to leave honest reviews after every purchase by sending polite reminders or offering small incentives. A consistent stream of positive feedback boosts product visibility and buyer confidence. (2) MSMEs should respond to customer reviews—both positive and negative—in a timely and professional manner. Acknowledging complaints and providing solutions demonstrates responsibility and builds credibility. (3) Businesses can use positive reviews as marketing content by showcasing real customer testimonials in social media posts or product descriptions. This emotional appeal can influence potential buyers more effectively than traditional advertising.

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