INFLUENCE OF ONLINE REVIEWS AND RATINGS ON THE PURCHASE INTENTIONS OF GEN Y CONSUMERS: THE CASE OF TOKOPEDIA

Lim Dennis, Feby Ramdhana, Tjong Callista Edria Faustine
Department of Business Management, Binus Business School, Jakarta, Jl. Hang Lekir 1, No. 6, Senayan Jakarta 10270, Indonesia

Roozbeh Babolian Hendijani
Business Management Program, Management Department, Bina Nusantara University, Jakarta, Indonesia 11480

ABSTRACT

Online shopping in Indonesia is mostly done through e-marketplaces, and reviews and ratings on e-marketplaces are known to affect Gen Y consumer purchasing behavior. This study attempts to examine the factors influencing the purchase intentions of Gen Y users on Tokopedia with 4 variables: reviews, ratings, information quality, and media richness. A descriptive analysis and regression analysis were used to test the relationship of these variables with purchase intentions. This study found that satisfaction and perceived value are key factors affecting purchase intentions, while the other variables act as precursors. These study results can provide a useful reference for sellers and marketers targeting Gen Y consumers.

Key words: Sharing Economy, Consumer Review, Media Richness, Purchase Intention


1. INTRODUCTION

A sharing economy, which is described as a peer-to-peer (P2P) based exchange activity, has gained momentum in recent years (Hamari, Sjöklint, & Ukkonen, 2016). The internet has vastly facilitated the growth of a sharing economy (Chen & Chang, 2018), ranging from transportation platforms such as Uber and Lyft to e-marketplaces for products such as
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Amazon.com and Alibaba, and hospitality services such as Airbnb. The sharing economy has effectively integrated the economic surplus with the help of online platforms such as e-marketplaces to meet the supply and demand of products or even services within a larger scale, thereby helping to generate economic advantages (Chen & Chang, 2018). According to Chien, Chen, and Hsu (2012, p. 461), "E-marketplaces are friction-free environments that enable buyers and sellers to reduce transaction costs, and also enhance cross-organizational collaboration across the business network." An e-marketplace is an online platform where products or services are sold by more than one seller. The products sold in e-marketplaces can be similar to other sellers (Nisafani, Wibisono, & Tegar Revaldo, 2017). According to PPRO (2018), a financial conduct authority based in the UK, the Indonesian electronic commerce industry is growing at an astounding rate of 78% a year, with e-commerce worth $7.2 billion in 2018.

According to Syuhada and Gambett (2013, p. 447), Indonesia has very large potential for e-marketplace and the e-commerce industry with a potential figure amounting to $134 billion. There are many public e-marketplaces in Indonesia; the three that are most well-known are Tokopedia, Bukalapak, and Shopee; Tokopedia and Bukalapak are two e-marketplaces with the highest traffic (Nisafani, Wibisono & Tegar Revaldo, 2017). Word of mouth is indicated to be more impactful in influencing consumers about certain products or services, and with the Internet, it has become more encouraging and promising by conveniently reaching a larger scope of society (Purnasari & Yuliando, 2015). The Internet has brought a new way to communicate, through such online platforms or electronic word of mouth (e-WOM), which facilitate information between consumers themselves (Park & Nicolau, 2015). E-WOM has proven to have an impact on consumer sales and purchases according to previous studies (Bai, Marsden, Ross Jr., & Wang, 2017).

Online consumer reviews have become more popular recently among online consumers who read online reviews before they make purchase decisions (Filieri, 2015). One example is in tourism where online reviews can help consumers compare the quality of travel services (Park & Nicolau, 2015). Online reviews posted on reliable websites or marketplace websites are perceived to be unbiased and trustworthy because they reduce the likelihood of regretting purchases made and allow the consumers to easily imagine what products look like (Park & Nicolau, 2015). Chen and Chang (2018) found that perceived value has a greater significant influence towards purchase intention among potential consumers, and it is followed by other studies that researched the influence of online consumer reviews in hotels and tourism and the influence of online reviews and ratings. The study of Chen and Chang (2018) focused on Airbnb as their subject, which is a marketplace for the hospitality industry. Therefore, this study attempts to fill in the limitations of the previous study, by specifically examining the influence of online reviews and ratings of Tokopedia on Generation Y regarding the purchase intentions of its consumers.

2. LITERATURE REVIEW

2.1. Sharing Economy

The fast-paced development of information technology and the rise of the internet has enabled the development of online e-marketplaces (Chen & Chang, 2018). Sharing economies benefit individuals as well as organizations and societies, both socially and economically (Kong, Wang, Hajli, & Featherman, 2019). This phenomenon has led to the emergence of collaborative consumption (C.C.), where sellers and consumers provide products or even services to each other through an online platform (Hamari, Sjöklint & Ukkonen, 2016). The collaborative consumption concept has pervaded online platforms such as e-marketplaces, through which idle resources are redistributed, and consequently have helped to generate
economic benefits, thereby accelerating the development of sharing economies (Chen & Chang, 2018). As consumers, Gen Y is particularly important for this study as they represent a very large and lucrative segment, and their behavior towards the marketplace is still relatively under-researched by marketers (Quintal, Phau, Sims, & Cheah, 2016).

2.2. Generation Y or Millennials

Generation Y or Millennials are considered as the people who were born between 1980 and 2000 (Corodeanu, 2015). According to Çelikdemir and Tukel (2015, p. 528), Generation Y can be referred to as "collaborators of the population larger than the baby boomer generation". Generation Y is the latest generation to enter the workforce (Çelikdemir & Tukel, 2015). Marketers nowadays try to learn and suggest value propositions that are enticing for specific generations, since each different generation has its distinctive values, preferences, and shopping behaviors (Chuah, Marimuthu, Kandampully, & Bilgihan, 2017). According to Corodeanu (2015), “as consumers, the members of Generation Y are impatient and need fast information and instant gratification” (Corodeanu, 2015, p. 11). Gen Y are savvy with technology and are considered to be technology enthusiasts (Eastman, Iyer, Liao-Troth, Williams, & Griffin, 2014). Gen Y in Indonesia is projected to make up 39% of the population, which is 110 million out of 285 million people in 2025 (Wijayaningtyas, Handoko, & Hidayat, 2019). Gen Y is used in this study because they are believed to be very influential, especially in this digital era. Thus, this study investigated the variables that impact upon the purchase intentions of Generation Y.

2.3. Online Reviews

Online consumer reviews have quite a significant influence toward consumer purchasing behavior and have become an important source of information for consumers, influencing about 20–50% of online purchase decisions (Thakur, 2018). It is quite common for the online intermediary platforms to put out these reviews that are generated by online consumers or buyers alongside the descriptions of the products as a way for consumers to gain information about products or services, form opinions about those products or services, and make purchasing intentions, as well as for sellers and marketers to collect consumer data and get valuable feedback (Xie, Chen, & Wu, 2016).

The internet nowadays can accommodate consumers to share their opinions about certain products online. Global giant online retailers such as Amazon and Alibaba often request consumers or buyers to share their post-purchase reviews on their platforms (Thakur, 2018). Online consumer reviews include the buyer’s experiences about their sellers’ services from online retailers or marketplaces (Thakur, 2018). Online reviews are considered as e-WOM “one to many” communications and are considered as the most influential type of communication (Ruiz-Mafe, Chatzipanagiotou, & Curras-Perez, 2018). They are considered an important source of data for consumers, affecting their online shopping preferences (Ahani, Nilashi, Ibrahim, Sanzogni, & Weaven, 2019). Online consumer reviews allow consumers to gain insights and detailed information with high trustworthiness and credibility compared to information provided by the sellers or marketers (Park & Nicolau, 2015). Thus, online consumer reviews play quite a major role in influencing the consumers’ or buyers’ choices of products and services such as hotel bookings, travel arrangements, and airline bookings, as well as retailers such as Amazon.com, Tokopedia, and Alibaba. Therefore, these online consumer reviews impact the businesses which use online and multi-sided platforms such as online marketplaces (Thakur, 2018). Word of mouth rather than advertising or selling personally has been indicated to be a more effective, efficient, and credible marketing tool (Thakur, 2018). Identical to word of mouth type of communication, some studies have indicated that online consumer reviews have higher credibility and relevance for consumers.
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rather than information from marketers or sellers (Godes & Mayzlin, 2004). Online consumer reviews have become quite important in the service and online retail industries, considering key factors such as quality review, quantity, and consistency. According to studies conducted by Chen and Chang (2018, p. 2), there are three categories of evaluation methods in online reviews:

- **Rating**: A rating is a standardized symbolization and representation of the consumer’s overall satisfaction with the seller’s or marketer’s products or services (usually symbolized using 1 to 5 stars), where more stars or higher scores reflect better satisfaction towards products or services.

- **Rating Volume**: It is the accumulation of ratings for each category of services.

- **Review**: It is a textual comment where consumers or buyers can describe their experiences or satisfaction towards a product or service. Potential future consumers provide useful references from such reviews. These reviews can have a significant influence on purchase intention for the buyers or consumers.

Online ratings and reviews are important factors and sources of information for the consumers or buyers, influencing as much as 20%-50% of the purchase decisions made using online platforms (Thakur, 2018). Consumer ratings can act as a reference for consumers about the products and are an important means of reducing buying risk. Consumer ratings have quite a significant influence on the sales of a product online, and positive ratings have a significant influence on purchase intention (Lee & Shin, 2014). According to Mangold and Smith (2012), their study indicated that online reviews are read and do influence Gen Y. Therefore, this study assesses both rating quality and rating quantity as separate factors and proposes the following hypotheses:

H1: Buyer ratings on Tokopedia positively influence purchase intention.

H2: Buyer ratings on Tokopedia positively influence the perceived value of a purchase intention.

H3: Buyer rating volume on Tokopedia positively influences purchase intention.

H4: Buyer rating volume on Tokopedia positively influences the perceived value towards purchase intention.

H5: Buyer reviews on Tokopedia positively influence the perceived value towards purchase intention.

2.4. Information Quality

The quality of information can be cited as the definitive, precision, integrity, helpfulness, and reliability of the information given, and consumers tend to value reliable and trustworthy product information higher (Chen & Chang, 2018). It is one of the content issues in e-commerce, and it incorporates the accuracy and integrity aspects of information in the online marketplace (Sharma & Lijuan, 2015). The quality of information can be indicated by the accuracy, usefulness, and reliability of the information provided by the sellers or online consumer reviews, and consumers nowadays place a great value towards this reliable online product information as well as online consumer reviews (Chen & Chang, 2018). High-quality information can give advantages to both customers and sellers, where consumers can gain valuable information on certain products sold, service providers, or sellers who present the information (Kang & Namkung, 2019). The quality of information is believed to have an influence on consumer satisfaction, therefore affecting the purchase intention of the consumer, and the quality of information on the mobile app’s platform marketplace does have a positive influence on the consumer’s satisfaction (Ghasemaghaei & Hassanein, 2015). In addition to the quality of information, decisions made by consumers are also affected based
on the richness of the media, such as audio and video components, or even information consisting of text (Maity, Dass, & Kumar, 2018). Therefore, this study proposes the following hypothesis:

H6: Information quality positively influences buyer satisfaction.

2.5. Media Richness

Information gathering is one of the major factors that affect consumer intention to purchase. Consumers can seek information from websites or mobile apps, and the richness of the media plays a major part in consumers’ purchasing decisions (Maity, Dass, & Kumar, 2018). Since online consumers cannot see the products, online sellers then seek to provide more transparent and clearer product information to reduce the consumers' risk whilst increasing the satisfaction and purchase intention of the consumers. This can be accomplished through the richness of media content provided in e-marketplace websites or mobile applications. Through the media richness content, consumers can seek to reduce the information asymmetry as well as increase the satisfaction and purchase intentions of the consumers (Chen & Chang, 2018). Therefore, this study proposes the following hypothesis:

H7: The content richness of Tokopedia positively influences the satisfaction of buyers in purchasing products.

2.6. Perceived Value

Perceived value is one of the consumer’s or buyer’s deciding factors for a purchase intention, and it can be seen as the cost-benefit appraisal for the purchased products or services (Chen & Chang, 2018). A consumer's purchase intention through an online platform is strongly influenced by perceived value. Most of the time, online consumers will assess a product for price reasonability, which means that the purchase behavior of the consumers toward a product or service will depend on the price tag. Thus, it is one of the major factors that will influence the consumer’s purchase intention (Nisar & Prabhakar, 2017). With an online platform, the consumers are granted another way to gain information about the products or services and reviews. Moreover, the fast delivery of products to consumers increases the value of purchasing through an online platform (Hult, Sharma, Morgeson, & Zhang, 2019). Therefore, this study proposes the following hypothesis in an attempt to assess the influence of perceived value on a consumer’s purchase intention:

H8: Perceived value positively influences the buyer’s purchase intention.

2.7. Satisfaction towards Consumer Purchase Intention

A study found that consumer satisfaction was influenced by the perception of the fairness of the price (Nisar & Prabhakar, 2017). With just a single click away from purchasing the products or services provided by the retailers’ systems or e-marketplace, purchasing costs are reduced, prices are compared, and consumer confidence is increased. Satisfied consumers are anticipated to come back to purchase in the near future (Hult et al., 2019). Thus, satisfying the consumers plays a major role in sustaining the consumers’ purchase intentions. As a result, this study proposes the following hypothesis:

H9: Satisfaction significantly and positively influences the buyer’s purchase intention.

2.8. Purchase Intention

Intentions are believed to be an indicator as to what degree an individual is willing to do a certain behavior, and the main obstacle in e-marketplace is the lack of purchase intention through an online platform (Lim, Osman, Salahuddin, Romle, & Abdullah, 2016). Purchase intentions suggest the likelihood of consumers’ willingness to buy a product or service
(Martins, Costa, Oliveira, Gonçalves, & Branco, 2018), and online purchase intentions can be defined as the buildup that pushes the consumer’s intention to purchase through an online platform (Goyal, Maity, Thamizhvanan, & Xavier, 2013). Past studies have shown that with the chance of consumers to purchase a product or service, it increases along with the surge of consumers’ purchase intentions (Martins, Costa, Oliveira, Gonçalves, & Branco, 2018). This also applies to the online purchasing context, where purchase intention does have a positive impact on purchasing through an online platform such as e-marketplace (Lim et al., 2018).

Figure 1 Research Model

3. RESEARCH METHOD
3.1. Research Model
This study was conducted using a quantitative approach. The research context for this study was Tokopedia which is an online intermediary or e-marketplace between sellers and buyers or consumers. It is considered to be one of the largest e-marketplaces in Indonesia with the highest traffic in Indonesia (Nisafani et al., 2017). The consumers seek information from the sellers’ descriptions of the products and the reviews of the products that are provided by previous buyers or consumers. The data was collected by distributing 154 questionnaires through Google Form to a cohort with an age range between 21 and 35 years old (the Gen Y age range) (Corodeanu, 2015). Partial Least Square Structural Equation Modelling was used to examine the research model by using SmartPLS 3.0 software. Reliability and validity tests were performed to validate the measuring method followed by the second phase of the structural model review. This study aimed to discuss whether online consumer reviews or ratings and the quality of information generated from such reviews created an impact on the Gen Y consumer purchase intention. A questionnaire was developed based on the definitions of the previous research specifications and the scales used in a previous study by Chen and Chang (2018). The questionnaire items for each question were graded using a 7-point scale.
from 1 (strongly disagree) to 7 (strongly agree). The questionnaire was distributed through an online platform.

3.2. Sample Data Collection
The study was conducted at Binus University located in Jakarta, the capital of Indonesia, by handing out a survey to undergraduate students and postgraduate students, and the data was collected between July and August 2019. A survey method was used as the research instrument and administered to a set of respondents. The questions used in this questionnaire were developed based on previous research with modifications to fit the study context (Chen & Chang, 2018; Mouakket, 2015; Kang, Hong, & Lee, 2009). This study used Partial Least Square Structural Equation Modelling to examine the research model by using SmartPLS 3.0 software. Reliability and validity tests were performed to validate the measuring method followed by the second phase of the structural model review (Teo, Tan, Ooi, & Lin, 2015).

4. EMPIRICAL RESULTS AND ANALYSIS
4.1. Descriptive Statistical Analysis
Of the total 154 questionnaires collected, all of them were valid and complete, with the questionnaires featuring 33 questions. The respondents were approximately 50% male and 50% female with the majority (46.5%) aged between 26 and 31 years old and 42.1% aged between 21 and 25 years old. Of all the respondents, 38.3% had an average income above Rp 6 million, while 35.1% ranged between Rp 4.6 million and Rp 6 million. About 33.1% had made online purchases on Tokopedia between 2 and 3 times in a month.

Table 1 Demographic Data

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>77</td>
<td>50%</td>
</tr>
<tr>
<td>Male</td>
<td>77</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26-31</td>
<td>74</td>
<td>46.50%</td>
</tr>
<tr>
<td>21-25</td>
<td>67</td>
<td>42.10%</td>
</tr>
<tr>
<td>&gt;32</td>
<td>10</td>
<td>6.30%</td>
</tr>
<tr>
<td>&lt;21</td>
<td>8</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; IDR 3,000,000</td>
<td>9</td>
<td>5.80%</td>
</tr>
<tr>
<td>IDR 3,100,000 - IDR 4,500,000</td>
<td>32</td>
<td>20.80%</td>
</tr>
<tr>
<td>IDR 4,600,000 - IDR 6,000,000</td>
<td>54</td>
<td>35.10%</td>
</tr>
<tr>
<td>&gt; IDR 6,000,000</td>
<td>59</td>
<td>38.30%</td>
</tr>
<tr>
<td><strong>Frequency to Buy per Month</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;2</td>
<td>46</td>
<td>29.90%</td>
</tr>
<tr>
<td>2-3</td>
<td>51</td>
<td>33.10%</td>
</tr>
<tr>
<td>4-5</td>
<td>27</td>
<td>17.50%</td>
</tr>
<tr>
<td>&gt;5</td>
<td>30</td>
<td>19.50%</td>
</tr>
</tbody>
</table>

4.2. Testing for Multicollinearity
Variance inflation factor (VIF) and tolerance were checked to analyze the multicollinearity issue. If the correlations between independent variables were too strong, multicollinearity was occurring. As stated in table 2, all the Variance Inflation factors did not exceed 10 (Teo et al.,
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2015). Therefore, it can be assumed that there was no problem with multicollinearity in the dataset.

**Table 2 Multicollinearity Test**

<table>
<thead>
<tr>
<th>Information Quality</th>
<th>Media Richness</th>
<th>Perceived Value</th>
<th>Purchase Intention Rating</th>
<th>Rating Volume</th>
<th>Review</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Quality</td>
<td>1.395</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media Richness</td>
<td>1.395</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Value</td>
<td>1.872</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Intention Rating</td>
<td>1.601</td>
<td>1.585</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rating Volume</td>
<td>1.663</td>
<td>1.772</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review</td>
<td>1.206</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>1.619</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.3. Measurement Model

Two types of validity tests are carried out to assess the measurement model, specifically, discriminating validity and convergent validity. Convergent validity relates to the extent to which different metrics underlying a structure measure the same concept (Teo et al., 2015). Cronbach’s Alpha must exceed the 0.7 threshold value for the factor to be adequate. Besides, composite reliability (CR) of all constructs must exceed 0.6 to be accepted and the average variance extracted (AVE) must be at least 0.5 (Hair, Ringle & Sarstedt, 2011). As indicated in the findings as shown in table 3, all the factors AVE exceeded 0.5, Composite reliability surpassed 0.6, and all the Cronbach’s Alpha exceeded 0.7. Such results, therefore, suggest that the combination of convergent validity and reliability was acceptable.

**Table 3 Cronbach’s Alpha, Composite Reliability, AVE**

<table>
<thead>
<tr>
<th></th>
<th>Cronbach's Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Quality</td>
<td>0.88</td>
<td>0.891</td>
<td>0.912</td>
<td>0.675</td>
</tr>
<tr>
<td>Media Richness</td>
<td>0.82</td>
<td>0.825</td>
<td>0.893</td>
<td>0.735</td>
</tr>
<tr>
<td>Perceived Value</td>
<td>0.836</td>
<td>0.839</td>
<td>0.902</td>
<td>0.754</td>
</tr>
<tr>
<td>Purchase Intention Rating</td>
<td>0.792</td>
<td>0.793</td>
<td>0.879</td>
<td>0.708</td>
</tr>
<tr>
<td>Rating</td>
<td>0.81</td>
<td>0.882</td>
<td>0.885</td>
<td>0.721</td>
</tr>
<tr>
<td>Rating Volume</td>
<td>0.811</td>
<td>0.829</td>
<td>0.875</td>
<td>0.636</td>
</tr>
<tr>
<td>Review</td>
<td>0.867</td>
<td>0.94</td>
<td>0.9</td>
<td>0.643</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.805</td>
<td>0.809</td>
<td>0.886</td>
<td>0.721</td>
</tr>
</tbody>
</table>

Discriminant validity can be specified as the degree to which items distinguish among variables (Teo et al., 2015). The correlation analysis and the square root of AVEs were used to determine the discriminant validity of their inter-construct correlations (Teo et al., 2015). The AVE of each latent construct must, in statistical terms, be larger than the highest square correlation of the latent construct with any other latent construct or the loading of an indicator with its latent structure should be larger than the loading of all other structures (Hair et al., 2011) to simplify that, discriminant validity can be accomplished when the corresponding construct's correlation coefficients are lower than the square root of AVE (Teo et al., 2015). As shown in Table 4, the inter-construct correlation coefficients were all smaller than the square root of AVE and thus discriminant validity was accepted.
Table 4 Discriminant Validity Test

<table>
<thead>
<tr>
<th>Information Quality</th>
<th>Media Richness</th>
<th>Perceived Value</th>
<th>Purchase Intention</th>
<th>Rating</th>
<th>Rating Volume</th>
<th>Review</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Quality</td>
<td>0.822</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media Richness</td>
<td>0.514</td>
<td>0.858</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Value</td>
<td>0.522</td>
<td>0.723</td>
<td>0.868</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.398</td>
<td>0.609</td>
<td>0.602</td>
<td>0.842</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rating</td>
<td>0.266</td>
<td>0.357</td>
<td>0.29</td>
<td>0.351</td>
<td>0.849</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rating Volume</td>
<td>0.508</td>
<td>0.426</td>
<td>0.42</td>
<td>0.279</td>
<td>0.601</td>
<td>0.798</td>
<td></td>
</tr>
<tr>
<td>Review</td>
<td>0.348</td>
<td>0.346</td>
<td>0.274</td>
<td>0.360</td>
<td>0.345</td>
<td>0.39</td>
<td>0.802</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.399</td>
<td>0.527</td>
<td>0.61</td>
<td>0.645</td>
<td>0.205</td>
<td>0.196</td>
<td>0.207</td>
</tr>
</tbody>
</table>

4.4. Analysis of Structural Model

The null hypothesis is dismissed when p-values > .05 and is not rejected when p-values < .05 (Teo et al., 2015). As indicated in the table 5 the result shown that H2 (Rating -> Purchase Intention), H3 (Rating Volume -> Purchase Intention), and H5 (Review -> Perceived Value) were not supported, since the p-value was > 0.5, and for H1 (Rating -> Purchase Intention), H4 (Rating Volume -> Perceived Value), H6 (Information Quality -> Satisfaction), H7 (Media Richness -> Satisfaction), H8 (Perceived Value -> Purchase Intention), H9 (Satisfaction -> Purchase Intention) the hypothesis were supported since their p-values were <0.5.

Table 5 P-Values

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (ST)</th>
<th>T Statistics [(O-ST)/STDEV]</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Rating -&gt; Purchase Intention</td>
<td>0.213</td>
<td>0.21</td>
<td>0.095</td>
<td>2.224</td>
</tr>
<tr>
<td>H2</td>
<td>Rating -&gt; Perceived Value</td>
<td>0.038</td>
<td>0.049</td>
<td>0.095</td>
<td>0.957</td>
</tr>
<tr>
<td>H3</td>
<td>Rating Volume -&gt; Purchase Intention</td>
<td>-0.06</td>
<td>-0.053</td>
<td>0.077</td>
<td>0.786</td>
</tr>
<tr>
<td>H4</td>
<td>Rating Volume -&gt; Perceived Value</td>
<td>0.349</td>
<td>0.328</td>
<td>0.128</td>
<td>2.726</td>
</tr>
<tr>
<td>H5</td>
<td>Review -&gt; Perceived Value</td>
<td>0.125</td>
<td>0.167</td>
<td>0.096</td>
<td>1.302</td>
</tr>
<tr>
<td>H6</td>
<td>Information Quality -&gt; Satisfaction</td>
<td>0.175</td>
<td>0.184</td>
<td>0.083</td>
<td>2.11</td>
</tr>
<tr>
<td>H7</td>
<td>Media Richness -&gt; Satisfaction</td>
<td>0.437</td>
<td>0.434</td>
<td>0.082</td>
<td>5.338</td>
</tr>
<tr>
<td>H8</td>
<td>Perceived Value -&gt; Purchase Intention</td>
<td>0.305</td>
<td>0.303</td>
<td>0.084</td>
<td>3.65</td>
</tr>
<tr>
<td>H9</td>
<td>Satisfaction -&gt; Purchase Intention</td>
<td>0.427</td>
<td>0.423</td>
<td>0.08</td>
<td>5.346</td>
</tr>
</tbody>
</table>

Some of the results were not consistent with the findings of Chen and Chiang (2018), from nine hypotheses, five of them (H1, H2, H3, H4, H5) showed the opposite results. According to Chen and Chiang (2018) findings, H1 (Rating -> Purchase Intention) was insignificant, whereas our test result show that it was significant thus supported. H2 (Rating -> Purchase Intention) was significant, whereas according to our results it was insignificant, thus not supported. H3 (Rating Volume -> Purchase Intention) was significant, whereas our results showed that it was insignificant thus not supported. H4 (Rating Volume -> Perceived Value) was insignificant, whereas our results showed that it was significant, thus supported the hypothesis. H5 (Review -> Perceived Value) was significant where our results showed the opposite, thus not supporting the hypothesis.

The result for H6, H7, H8, H9 were consistent with the findings of previous study. According to Chen and Chiang (2018) findings, H6 (Information Quality -> Satisfaction), and H7 (Media Richness -> Satisfaction) was significant and consistent with our result, thus supported the indication where the richness of media content that provides communication between buyers and sellers significantly influences consumer satisfaction by providing both buyers and sellers with an enhanced sense of security in a way of communication through the media provided, since consumers are more likely to rely on the information provided when the media richness is high (Maity, Dass, & Kumar, 2018). H8 (Perceived Value -> Purchase
Intention) was in line with Chen and Chiang (2018) findings, which indicates that gen y consumers are more likely to purchase if they feel that the perceived benefits and perceived costs outweigh the time and effort they spend (Hsu, Chang, & Chuang, 2015). H9 (Satisfaction -> Purchase Intention) was also in line with Chen and Chiang’s (2018) study which validates user satisfaction affecting purchase intentions, and other previous findings that online consumer satisfaction is a key factor of purchase intentions (Alnawas & Aburub, 2016).

5. DISCUSSION AND CONCLUSION
The objective of this study was to use a research model from previous studies (Chen & Chiang, 2018; Chan, Lam, Chow, Fong, & Law, 2017; Filieri, McLeay, Tsui, & Lin, 2018) that was focusing on the factors that not only drive the purchase intentions but also on the online booking sector using Airbnb as the subject and applying it to the e-marketplace context. Explicating the factors that influence the purchase intentions in an e-marketplace platform with Tokopedia as the specific subject and focusing on the Gen Y consumers. The current study that was conducted attempted to extend the existing knowledge by applying it in the e-marketplace sector in Indonesia. The result of this study shows that ratings positively influence the purchasing intention of the consumers in the context of e-marketplaces. Information quality and media richness also found to positively influence the satisfaction of consumers which in turn positively affects the purchase intentions of consumers. Such results not only address the theoretical disputes as to whether or not a rating can affect the purchase intentions of consumers and provide an explanation of the underlying mechanisms, but also provide practitioners with an insight into consumer purchase intentions in the context of the e-marketplace. This study constitutes an initial attempt to analyze the correlation between rating review and purchase intentions, which in e-marketplace research is an important but underexplored topic. In conclusion, more studies on ratings and review systems can not only encourage academic researchers to expand their understanding of consumer's purchase intentions but can also benefit online retailers and third-party infomediaries by providing them insights to better support online shoppers' purchasing decisions. Finally, we introduced a new perspective of e-marketplaces that requires special attention for future research.

5.1. Theoretical Implications
The main theoretical contributions in this study is the theoretical validation of consumer's behavior especially the factors that affect their purchase intention in the e-marketplace context in Indonesia focusing on Gen Y. This is especially so in the emerging e-marketplace areas such as online ratings and online reviews, where online reviews and ratings are preferred and seen as a credible information source by the consumers, especially Gen Y, as compared with old-fashioned advertisements. The previous studies on ratings towards purchase intention were mostly studies on the service industry, especially online hotel bookings. The present study is specifically focused on e-marketplaces in Indonesia, and specifically uses Tokopedia as the subject. Furthermore, this study focuses on Gen Y purchase intentions. This study also contributes to the emerging literature by identifying the influence of reviews, ratings, information quality, and media richness in an online context. There are several key findings in this study. First information quality and media richness both were found to be influential factors towards Gen Y consumer satisfaction and thus influence the purchase intentions of Gen Y on e-marketplace. Second, this study explored the online reviews and ratings which have been increasing nowadays especially in Indonesia and are considered major factors for consumer decisions (Filieri et al., 2018) in the context of e-marketplaces and focusing specifically on Gen Y consumers. The results confirm the substantial positive influence of rating, perceived value, and satisfaction on purchase intention in the context of e-marketplace.
One of the reasons is that consumers often indicate ratings are important to them in their evaluations of legitimacy, although experimental evidence from our research indicates that this information is often used sub-optimally. Additionally, the findings suggest that ratings are used as a product quality barometer and that higher perceived product quality is associated with higher purchasing intentions (Flanagin, Metzger, Pure, Markov & Hartsell, 2014). This suggests that ratings were viewed as a highly credible source of product information for e-marketplace customers, as ratings information can only co-vary with perceived product quality and purchasing intention if they are regarded as trustworthy.

5.2. Managerial Implications
This study provides implications for managerial and practical implications. First, although implementing a ratings and review system into e-marketplaces has been widely adopted by practitioners, the effectiveness is rarely studied and confirmed in the literature. This study shows that ratings can positively affect consumers’ purchase intentions. This encourages practitioners to continue including the ratings system on their platform, but with a closer look at their efficacy. To avoid customers from forming a biased product perception, the rating information must be highly visible to the e-marketplace audience (Qiu, Pang & Lim, 2012). Second, the results show that information quality and media richness (text, videos, pictures) conveyed by interaction with sellers positively affects consumers purchasing intentions. This suggests that the e-marketplace platform owner and online sellers might want to participate in developing and maintaining the information quality and media richness with the potential buyers (Lu, Fan & Zhou, 2016) and information regarding others who purchased and provided positive information is useful in influencing the buying intention of online buyers. This means that e-marketplace platforms such as Tokopedia must carefully monitor the impact of information revealed about other online buyers. With the internet and technologies such as smartphones nowadays, it has enabled sharing economies and thus migrated from traditional sellers in physical stores to e-marketplace. Consumers, especially Gen Y consumers, have become more anxious about purchasing products through online platforms, and by increasing the trust between the sellers and buyers, it can increase their purchase intentions. Hopefully, this study provides a useful reference for the sellers in the e-marketplace, especially Tokopedia, where sellers must maintain the quality of information they provide on the products they sell and push for one-on-one communication through the media richness provided by Tokopedia, while still maintaining their ratings and reviews. This also applies to firms with a similar online marketplace business model in Indonesia such as Bukalapak, Shopee, BliBli.com, and Lazada.

5.3. Research Limitations and Future Suggestions
The limitations of this study can provide a direction for future research. First, the research sample in this study was limited to only Gen Y, ranging from 21 to 35 years old. Future studies could expand the sample group by expanding the age range and diversity of the demographic sample. Second, Tokopedia is one of many e-marketplaces in Indonesia. Including more sites for the collection of data will enhance the external validity of the findings. Additional research can analyze the framework with the addition of more platforms by using actual online buyer data. Third, the framework was evaluated only with the data collected from Jakarta, Indonesia. The findings should not be generalized to other countries and cultural contexts. Future study is also required for testing the framework in different cultures or countries. Fourth, future studies can expand their studies to other similar online platform aggregators in food services such as zomato.com, qraved, and service marketplaces such as Go-Life, where consumer reviews and ratings play a critical role.
REFERENCES


http://www.iaeme.com/IJM/index.asp

editor@iaeme.com
Influence of Online Reviews and Ratings on the Purchase Intentions of Gen Y Consumers: The Case of Tokopedia


