



THE INFLUENCE OF CASH ON DELIVERY (COD) AND ONLINE CUSTOMER REVIEW (OCR) SERVICES ON DECISIONS PURCHASE ON E – COMMERCE SHOPEE (CASE STUDY: BATUSANGKAR CITY)

Riska Danela¹⁾, Henryanto Abaharis²⁾

^{1,2)}Sekolah Tinggi Ilmu Ekonomi KBP

¹⁾riskadanela98@gmail.com

ABSTRACT

The aim of this research is to examine the influence of Cash On Delivery (COD) and Online Customer Review (OCR) services on purchasing decisions at Shopee e-commerce in Batusangkar City. The number of respondents in this study was 100 people using the lemeshow formula, because the population size is unknown. The data analysis used is multiple linear regression. The test results show that Cash On Delivery (COD) and Online Customer Review (OCR) services have a positive and significant effect on purchasing decisions at Shopee E-commerce in Batusangkar City.

Keywords: *Cash On Delivery (COD), Online Customer Reviews (OCR), Purchasing Decisions*

Send : January 29th, 2024

Acceptance : February 29th, 2024

INTRODUCTION

The world of marketing continues to experience many developments and improvements which are a form of technological innovation in the modern era. Technology is not only used for communication media, but currently technology is also used for the world of marketing, such as buying and selling transactions carried out remotely using the internet, through smartphone media we can get whatever we need. It's all because people's lifestyles are increasingly developing. One of these lifestyle changes is shopping activities.

The internet is a medium that supports e-commerce activities, e-commerce or electronic commerce is the activity of buying and selling goods or services carried out via computer networks with methods specifically designed for the purpose of receiving or purchasing goods.

Based on the information obtained, the e-commerce with the largest visitors in Indonesia is Shopee. Shopee is one of the companies that utilizes e-commerce as a web or

application-based business opportunity that can be accessed anywhere. Shopee is also equipped with a COD service. COD allows customers to pay cash when the product is delivered to their home or location of their choice (Le et al., 2019). One of the main problems of e-commerce globally is the buying and selling of goods between parties over the Internet where merchants may not trust their partners (Le et al., 2019).

Online shopping is well known to the people of Batusangkar City. The existence of Shopee e-commerce can help Batusangkar City consumers shop online. Based on a previous survey conducted by researchers on 30 e-commerce users, researchers conducted interviews with several Batusangkar residents, in July 2023. From the results of a previous survey conducted on several online shopping application users with the aim of finding out how many people use e-commerce . trade in the city of Batusangkar. In a previous survey conducted by the author, there were three e-commerce that were most widely used by the people of Batusangkar City, namely Shopee, Lazada, and Tokopedia.

Shopee product purchasing decisions are influenced by COD and OCR services. COD service is a payment method made by consumers by paying on the spot when the product has been received by the consumer. OCR, namely, information and recommendations made by consumers and presented online regarding a product. The next issue is convenience, privacy and security of transactions. Consumers are dissatisfied with difficult and unsafe transactions and payment methods, such as recharging ShopeePay by sending money to other banks. COD services can be an alternative that can make it easier for consumers to pay for goods (Zusmawati & Rani, 2023). For goods purchased online, payment can be made in cash when the consumer receives the goods.

Cash On Delivery (COD) is a payment method that is made in cash if the required togetherness has been sent to the home address and the consumer has received the goods or products they need through a courier intermediary. This COD service is also created to reduce customer security risks and encourage customers to make purchasing decisions (Kidane & Sharma, 2016).

The results of research conducted by Halaweh (2017) regarding cash on delivery (COD) services proved that cash on delivery (COD) services have an influence on purchasing decisions. Based on previous research, perceptions of privacy, security and trust are important factors and the main reasons that make customers reluctant to adopt existing e-commerce and electronic payment methods.

Based on the results of research conducted by Marlina Tresnasih (2022) regarding online customer reviews and cash on delivery (COD) services, it is proven that cash on delivery (COD) services have an influence on purchasing decisions. Currently, there are still many people who have little trust, some of them even do not trust the online buying and selling system because most of them think that online shopping has several disadvantages, one of which is fraud which often occurs in online buying and selling.

This research is to determine and analyze the influence of Online Customer Reviews and Online Customer Ratings on Online Purchasing Decisions. Based on the results of research conducted by Mokodompit (2022) regarding cash on delivery (COD) services, it is proven that cash on delivery (COD) services have a significant, simultaneous or partial impact on purchasing decisions. Based on the explanation above, the following hypothesis can be formulated.



H₁: cash on delivery (COD) services have a positive effect on purchasing decisions on Shopee e-commerce.

Online customer reviews are user-generated content or personally generated information that consumers can later use as a means to find and retrieve the product information they need for purchasing decisions Mehyar, (2020).

In research conducted by Ardianti & Widiartanto (2019), a study on the impact of online customer reviews and online customer ratings on purchasing decisions found that online customer reviews and online customer ratings had a significant, simultaneous or partial impact on purchasing decisions. In online shopping activities, consumers need to look for more information about the products they want to buy to minimize the negative impacts they have. An easy way to get this information is to look at reviews and see the ratings for a shop.

In research conducted by Wahyudi (2019), a study on the impact of online customer reviews and online customer ratings on consumer confidence found that online customer reviews and online customer ratings had a significant, simultaneous or partial impact on purchasing decisions. The main feature of today's online marketplace is the use of reviews and ratings as tools to increase customer interest and trust. Based on a survey of 5,000 shoppers from five different countries, online ratings and reviews on retail websites are the most frequently accessed sources of information. Based on the description above, it is necessary to carry out research entitled *The Influence of Online Customer Reviews and Online Customer Ratings on the Trust of Teenage Consumers in Mataram City in Purchasing Shopee Online Shop Fashion Products*.

In research conducted by Latief & Ayustira (2020), a study on the impact of online customer reviews and online customer ratings on purchasing decisions found that online customer reviews and online customer ratings have a significant impact, reviews have the potential to attract consumer visits, increase time spent on the site, and creating a sense of community among frequent shoppers. Based on the explanation above, the following hypothesis can be formulated.

H₂: Online customer reviews have a positive effect on purchasing decisions on Shopee e-commerce.

RESEARCH METHOD

The method used in this research is a quantitative method, with data obtained based on questionnaire answers. The population and sample in this research are daily active application users of the Shopee e-commerce shopping site in Batusangkar city. The technique used is to use a non-probability sampling technique, that is, it does not provide equal opportunities for each element or each member of the population selected to be the sample. Through calculations using the lemeshow formula, the number of respondents sampled in this study was reduced to 100 respondents.

Operational explanations and indicators from many studies are found in tables such as:

Table 1.
Definition of Research Operational Variables

No	Variabel	Definition	Indicator	Source
1	Purchase Decision (Y)	Consumer decisions are an action to solve problems in human activities to buy goods or services to fulfill their wants and needs.	<ol style="list-style-type: none"> 1. Determination in purchasing after knowing product information 2. Decide to buy because of the brand you like most 3. Buy it because it suits your wants and needs 4. Buy because you get recommendations from other people 	Kotler and Armstrong (2008:181)
2	Cash on Delivery (COD) Service (X1)	The payment method used by consumers is to pay in cash when the goods are delivered to the customer's house or to a certain address.	<ol style="list-style-type: none"> 1. Payment security 2. Maintain privacy 3. Increase trust 	Halaweh (2017)
3	Online Customer Review (OCR) (X2)	Online Customer Reviews (OCR) or online consumer reviews are consumer opinions expressed about the product experience they get after making a purchase on an e-commerce site and these reviews can be used as a reference by potential consumers.	<ol style="list-style-type: none"> 1. Awareness 2. Frequency 3. comparison 4. Influence or consequence. 	Fransiska Vania Sudjatmika, (2017)



In this research, instrument test data analysis techniques are used, namely validity tests with the condition that the correlation coefficient is > 0.300 so it can be said that the instrument is valid, then validation tests, reliability tests where a variable is said to be reliable if it gives a Cronbach Alpha value > 0.600 and the TCR descriptive test is used to see it. spread of data in a variable. Next, the classic concept test consists of a normality test with an Alpha standard of 0.05. If the probability is > 0.05 then the distribution of the regression model is normal, the multicollinearity test is if $VIF < 10$ and Tolerance > 0.1 then the research is free from symptoms of multicollinearity and the heteroscedasticity test if the sign is greater than 0.05 then the research has no indication of heteroscedasticity.

Then do multiple regression analysis and carry out hypothesis testing. The influence of cash on delivery (COD) and online customer review (OCR) services on purchasing decisions can be seen using the multiple linear regression analysis method. With the following equation :

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Information :

Y	= Buying decision
α	= Constant
β_1	= Cash On Delevary (COD) Regression Coefficient
β_2	= Online Customer Review (OCR) Regression Coefficient
X1	= Cash On Delevary (COD)
X2	= Online Costumer Review (OCR)
e	= Disturbance Error

RESULTS AND DISCUSSION

Results of testing research instruments on the influence of cash on delivery (COD) and online customer review (OCR) services on purchasing decisions at Shopee e-commerce in Batusangkar City.

1. Validity Test

According to Sugiyono, (2013), validity is an index that shows that the measuring instrument really measures what is being measured. This validity concerns the accuracy of the instrument.

Based on the results of the validity test analysis, results were obtained as in the table below.

Purchase Decision (Y)

Table 2
Purchasing Decision Variable Validity Test Results

Statement Items	Corrected Item Total Correlation	r _{table}	Conclusion
1	0,447	0,361	Valid
2	0,667	0,361	Valid
3	0,463	0,361	Valid
4	0,673	0,361	Valid
5	0,624	0,361	Valid
6	0,660	0,361	Valid
7	0,547	0,361	Valid
8	0,468	0,361	Valid
9	0,437	0,361	Valid
10	0,403	0,361	Valid
11	0,433	0,361	Valid
12	0,409	0,361	Valid

Source: Primary data processed with SPSS 24.0(2023)

Based on the table of results of the validity test analysis of purchasing decision variables, it is known that all statement items have a value of $r_{count} > r_{table}$. It can be concluded that there are 12 items stating purchasing decision variables which are said to be valid.

Cash on Delivery Service (X1)

Table 3
Validity Test Results for Cash On Delivery Service Variables

Statement Items	Corrected Item Total Correlation	r _{table}	Conclusion
1	0,711	0,361	Valid
2	0,663	0,361	Valid
3	0,776	0,361	Valid
4	0,785	0,361	Valid
5	0,392	0,361	Valid
6	0,631	0,361	Valid
7	0,368	0,361	Valid
8	0,622	0,361	Valid



Source: Primary data processed with SPSS 24.0(2023)

Based on the table of analysis results of the validity test of the cash on delivery service variable, it is known that all item statements have a value of $r_{count} > r_{table}$. It can be concluded that there are 8 statement items for the cash on delivery service variable which are said to be valid.

Online Customer Reviews (X₂)

Table 4
Online Customer Review Variable Validity Test Results

Statement Items	Corrected Item Total Correlation	r _{table}	Conclusion
1	0,705	0,361	Valid
2	0,630	0,361	Valid
3	0,753	0,361	Valid
4	0,492	0,361	Valid
5	0,495	0,361	Valid
6	0,774	0,361	Valid
7	0,775	0,361	Valid
8	0,815	0,361	Valid
9	0,647	0,361	Valid
10	0,774		

Source: Primary data processed with SPSS 24.0(2023)

Based on the analysis results table, it is known that the online customer review variable validity test of all statement items has a value of $r_{count} > r_{table}$. It can be concluded that there are 10 statement items for the online customer review variable that are said to be valid.

2. Reliability Test

To measure reliability in this research, it is done by looking at Cronbach's alpha, which can be said to be reliable if Cronbach's alpha is > 0.600 (Ghozali, 2008).

Table 5
Reliability Test Analysis Results

Variable	Cronbach's Alpha	Value Limits	Conclusion
Buying decision (Y)	0,846	0,700	Reliabel
Cash On Delivery (X ₁)	0,863	0,700	Reliabel
Online Customer Review (X ₂)	0,914	0,700	Reliabel

Source: Primary data processed with SPSS 24.0(2023)

Based on the reliability test analysis results table, it is known that all research variables have a Cronbach's Alpha value > 0.700 . So it can be concluded that questionnaire statements that have been declared valid and reliable can be used as statements for research questionnaires.

3. Normality test

Table 6
Normality Test Results

Variable	Sig value	Value Limits	Conclusion
Buying decision	0,061	0,05	Normal
Cash On Delivery	0,090	0,05	Normal
Online Customer Review	0,422	0,05	Normal

Source: Primary data processed with SPSS 24.0(2023)

Based on the results of the Kolmogorov-Smirnov test above, a significant value of $0.200 > 0.05$ is obtained, meaning that the data distribution is normal.

4. Multicollinearity Test

Table 7
Multicollinearity Test Results

Variable	Tol	VIF	Information
Cash On Delivery	0,894	1,119	There is no multicollinearity
Online Customer Review	0,894	1,119	There is no multicollinearity

Source: Primary data processed with SPSS 24.0(2023)

From the results of the analysis, it was obtained that the free (independent) variable in this study had a VIF value below 10 and a tolerance < 1 . This means that there is no multicollinearity between the independent variables. Thus, it can be concluded that the independent variable meets the requirements of the classical assumption of multicollinearity.

5. Heteroscedasticity Test

This test is carried out to predict whether the regression is suitable or not. The SPSS method that is often used to detect heteroscedasticity is by using an ecosystem test with the condition that if the sig value is > 0.05 , it means that heteroscedasticity does not occur with the following results:.



Table 8
Heteroskedasticity Test Results

Variable	Sig value	Value Limits	Conclusion
<i>Layanan Cash On Delivery</i>	0,638	0,05	Heteroscedasticity does not occur
<i>Online Customer Review</i>	0,092	0,05	Heteroscedasticity does not occur

Source: Primary data processed with SPSS 24.0(2023)

Based on the table above, all variables obtained sig values > 0.05. This means that all variables do not experience heteroscedasticity.

6. Multiple Linear Regression Analysis

Multiple linear regression analysis between cash on delivery (COD) services (X1), online customer review (OCR) (X2), and purchasing decisions (Y) which was also assisted by the SPSS program gave the following results:

Table 9
Results of Multiple Linear Regression Analysis

Variable	Regression Coefficients
(Constant)	19,007
<i>Cash On Delivery</i>	0,649
<i>Online Customer Review</i>	0,286

Source: Primary data processed with SPSS 24.0(2023)

Based on table 8, the regression equation model obtained is as follows: Based on the results in table 8 above, the multiple linear regression equation can be formulated as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

$$Y = 19,01 + 0,65(X_1) + 0,29(X_2) + e$$

The multiple linear regression equation above has the following meaning:.

1. From the multiple linear regression equation model above, it can be seen that the constant value is 19.007, which means that without the influence of the cash on

delivery and online customer review service variables, purchasing decisions on Shopee e-commerce in Batusangkar city have reached 19,007.

2. The regression coefficient for the cash on delivery service variable (X1) is 0.649. This means that if the value of cash on delivery services increases by one unit, purchasing decisions will increase by 0.649 per unit. Assuming other variables do not change or are constant.
3. The regression coefficient for the online customer review variable (X2) is 0.286. This means that if the online customer review value increases by one unit, purchasing decisions will increase by 0.286 for each unit. Assuming other variables do not change or are constant.

7. Hypothesis Testing t

The t test functions to answer the hypothesis of the research by symbolizing it with t_{count} and comparing with t_{table} . The t_{table} value is obtained using the $n-k-1$ formula, namely $100-2-1 = 97$ with $\alpha = 0.05$, the t_{table} value is 1.984. The condition is that if $t_{count} > t_{table}$ then the hypothesis is accepted and if $t_{count} < t_{table}$ then the hypothesis is rejected. To see partially the influence of online customer reviews on purchasing decisions, the results obtained in the t test are described below:

Table 10
Hypothesis Testing Results t

Independent Variable	t_{count}	t_{table}	Conclusion
Cash On Delivery	8,622	1,984	Significant
Online Customer Review	4,261	1,984	Significant

Source: Primary data processed with SPSS 24.0(2023)

Based on the table above, the results of the t-test can be explained as follows:

- a. **Hypothesis 1, it is suspected that Cash On Delivery (COD) services have a positive and significant effect on purchasing decisions (Y) on Shopee e-commerce.**

The regression coefficient value for cash on delivery services was obtained at 0.649 and the value of $t_{count} > t_{table}$ was $8.622 > 1.984$, meaning that H_a was accepted and H_0 was rejected. Thus, it can be said that there is an influence between cash on delivery services on purchasing decisions at Shopee e-commerce in Batusangkar City.

- b. **Hypothesis 2, it is suspected that online customers have a positive and significant effect on purchasing decisions (Y) on Shopee e-commerce.**

The online customer review regression coefficient value obtained was 0.286 and the $t_{count} > t_{table}$ value was $4.261 > 1.984$, meaning that H_a was accepted and H_0 was



rejected. Thus, it can be said that there is an influence between online customer reviews on purchasing decisions at Shopee e-commerce in Batusangkar City.

DISCUSSION

The Influence of Cash On Delivery (COD) Services on Shopee E-Commerce Purchase Decisions in Batusangkar City

Based on the research results, the cash on delivery service regression coefficient value was 0.649 and the $t_{count} > t_{table}$ value was $8.622 > 1.984$, meaning that H_a was accepted and H_0 was rejected. Thus, it can be said that cash on delivery services have a positive and significant effect on purchasing decisions on Shopee e-commerce. in Batusangkar City.

Cash On Delivery (COD) is a payment method that is made in cash (cash) if the required togetherness has been sent to the home address and the consumer has received the goods or products they need through a courier intermediary. This COD service was also created to reduce customer security risks and encourage customers to make purchasing decisions Kidane & Sharma, (2016).

The results of this research are in line with previous research conducted by Halaweh, (2017) regarding cash on delivery (COD) services, it is proven that cash on delivery (COD) services have an influence on purchasing decisions and also research by Marlina Tresnasih, (2022) regarding online customer reviews and services. cash on delivery (COD) has proven that cash on delivery (COD) services have an influence on purchasing decisions.

The Influence of Online Customer Review (OCR) on Shopee E-Commerce Purchase Decisions in Batusangkar City

Based on the research results, the online customer review regression coefficient value was 0.286 and the $t_{count} > t_{table}$ value was $4.261 > 1.984$, meaning that H_a was accepted and H_0 was rejected. Thus, it can be said that online customer reviews have a positive and significant effect on purchasing decisions at Shopee e-commerce in the city. Batusangkar.

Theory of Reasoned Action (TCA) or Ajzen's theory of rational action (2010), argues that consumer behavior cannot be excluded from decision making. Decisions are taken based on their own (individual) and other people's considerations. Online customer reviews are user-generated content or personally generated information that consumers can later use as a means to find and retrieve product information they need for purchasing decisions Mehyar, (2020).

The results of this research are in line with previous research conducted by Ardianti & Widiartanto, (2019), a study on the impact of online customer reviews and online

customer ratings on purchasing decisions, finding that online customer reviews and online customer ratings have a significant impact, simultaneously or partially, on decisions. purchases and also research by Wahyudi, (2019), a study on the impact of online customer reviews and online customer ratings on consumer confidence, found that online customer reviews and online customer ratings have a significant, simultaneous or partial impact on purchasing decisions.

CONCLUSION

The classical assumption test which includes the multicollinearity test, heteroscedasticity test and normality test shows that in the regression model there is no correlation between the independent variables and there is no heteroscedasticity and it has a normal distribution.

Based on the discussion that has been described, the following conclusions are obtained:

1. It is proven that the cash on delivery service (X1) has a positive and significant influence on Shopee purchasing decisions.
2. It is proven that online customer reviews (X2) have a positive and significant influence on shopee purchasing decisions.

ACKNOWLEDGMENTS

The preparation of this thesis would not have been completed properly without significant guidance, assistance and support from various parties. Therefore, on this occasion the author would like to express his deepest gratitude to the parties where the author conducted his research, who have provided enthusiasm and ease in collecting data so that the author can complete this thesis. In preparing this thesis, the author realized that this thesis is still far from perfection. Therefore, the author hopes for suggestions and constructive criticism to improve writing in the future. Hopefully this thesis can be useful for all parties in the future.

BIBLIOGRAPHY

- Ajzen, I. (2010). Constructing a theory of planned behavior questionnaire. *Biofeedback and Selfregulation*, 17(March), 1–7. [https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)
- Ardianti, A. N., & Widiartanto, M. A. (2019). Pengaruh Online Customer Review dan Online Customer Rating terhadap Keputusan Pembelian melalui Marketplace Shopee . *Jurnal Ilmu Administrasi Bisnis*, 1–11.
- Fransiska Vania Sudjarmika. (2017). Pengaruh Harga, Ulasan Produk, Kemudahan, Dan Keamanan Terhadap Keputusan Pembelian Secara Online Di Tokopedia.Com. *Ekonomi Bisnis*, 17(1), 1–12. <https://jurnal.ubd.ac.id/index.php/PE/article/view/86/49>
- Halaweh, M. (2017). Intention to adopt the cash on delivery (COD) payment model for E-commerce transactions: An empirical study. *Lecture Notes in Computer Science*

The Influence...(danela, Abaharis)



(Including Subseries Lecture Notes in Artificial Intelligence and Lecture Notes in Bioinformatics), 10244 LNCS, 628–637. https://doi.org/10.1007/978-3-319-59105-6_54

- Kidane, T. T., & Sharma, R. R. K. (2016). Factors affecting consumers' purchasing decision through e-commerce. *Proceedings of the International Conference on Industrial Engineering and Operations Management*, 8-10 March(September), 159–165.
- Latief, F., & Ayustira, N. (2020). Pengaruh Online Costumer Review dan Customer Rating terhadap Keputusan Pembelian Produk Kosmetik di Sociolla. *Jurnal Mirai Managemnt*, 6(1), 139–154. <https://journal.stieamkop.ac.id/index.php/mirai>
- Le, N. T. T., Nguyen, Q. N., Phien, N. N., Duong-Trung, N., Huynh, T. T., Nguyen, T. P., & Son, H. X. (2019). Assuring non-fraudulent transactions in cash on delivery by introducing double smart contracts. *International Journal of Advanced Computer Science and Applications*, 10(5), 677–684. <https://doi.org/10.14569/ijacsa.2019.0100584>
- Marlina Tresnasih. (2022). Pengaruh Online Customer Review Dan Pelayanan Cash On Delivery Terhadap Keputusan Pembelian Di Marketplace Shopee (Studi Pengguna Marketplace Shopee di Kota Tasikmalaya). *Jurnal Ilmu Sosial, Manajemen, Dan Akuntansi (JISMA)*, 4(4), 403–408.
- Mehyar, H., Saeed, M., Al-Ja'afreh, H. B. A., & Al-Adaileh, R. (2020). The impact of electronic word of mouth on consumers purchasing intention. *Journal of Theoretical and Applied Information Technology*, 98(2), 183–193.
- Mokodompit, H. Y., Lopian, S., & ... (2022). ...Rating, Sistem Pembayaran Cash on Delivery Dan Online Customer Review Terhadap Keputusan Pembelian Di Tiktok Shop (Studi Pada *Jurnal EMBA: Jurnal ...*, 10(3), 975–984. <https://ejournal.unsrat.ac.id/index.php/emba/article/view/43393%0Ahttps://ejournal.unsrat.ac.id/index.php/emba/article/download/43393/38189>
- Sugiyono. (2013). *Metode Penelitian Manajemen*. Alfabeta.
- Wahyudi, T., & R, B. H. (2019). Online customer. *Jurnal Riset Manajemen*, 19, 1–7.
- Zusmawati, & Rani, A. (2023). Economics and Digital Business Review Pengaruh Layanan Cash On Delivery (COD) Dan Online Costumer Review (OCR) Terhadap Keputusan Pembelian Pada (E-Commerce) Shopee di Kota Pariaman. *Economics and Digital Business Review*, 4(1), 587–596.