THE INFLUENCE OF ONLINE CUSTOMER REVIEW AND RATING ON PURCHASE DECISIONS OF L'ORÉAL PRODUCT

Editor's Request	Your Response	Review Submitted	Review Due
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Abstract

Advances in technology, information, and communication, particularly the internet in the 21st century, have created new opportunities for companies to optimize their online marketing strategies. L'Oréal Paris, a leading global cosmetics brand, has transitioned from offline to online sales. Ecommerce platforms provide review and rating features that enable consumers to give feedback on products and services, including details about condition, authenticity, quality, and product suitability. This study aims to analyze the impact of online customer reviews and ratings on the purchasing decisions for L'Oréal products. This research was conducted from June to July 2024, involving 402 respondents using a non probability sampling technique and purposive sampling method. Primary data collected through questionnaires and secondary data from literature studies. The data analysis methods employed were descriptive analysis and SEM-PLS. The results of this study indicate that online customer reviews and ratings have a significant and positive impact on purchase decisions.
Keywords: Cosmetic, E-Commerce, Online Customer Review, Purchase Decision, Rating.

Abstrak

Perkembangan teknologi, informasi, dan komunikasi khususnya internat di era abad ke-21 telah membuka peluang usaha baru bagi perusahaan untuk mengoptimalkan strategi online marketing. L'Oreal Paris merupakan merek kosmetik terkemuka di dunia yang telah berevolusi dari penjualan offline menjadi online. E-commerce menyediakan fitur review dan rating yang memungkinkan konsumen memberikan feedback tentang produk dan layanan, termasuk detail kondisi, keaslian, kualitas, dan kesesuaian produk. Penelitian ini bertujuan untuk menganalisis pengaruh online customer review dan rating terhadap keputusan pembelian produk L'Oréal. Penelitian ini dilakukan pada bulan Juni hingga Juli 2024 menggunakan 402 responden dengan teknik penarikan sampel non probability samping dan metode purposive sampling. Data primer didapatkan dari kuesioner dan data sekunder dari studi literatur. Metode analisis data menggunakan analisis deskriptif dan SEM-PLS. Hasil penelitian ini menunjukan bahwa online customer review dan rating berpengaruh singnifikan dan positif terhadap keputusan pembelian.
Kata kunci: E-Commerce, Kosmetik, Keputusan Pembelian, Online Customer Review, Rating.

INTRODUCTION

Every company has a strategic goal to increase sales value and expand market share to maintain competitiveness and business sustainability. In facing increasingly intense competition, companies must adopt appropriate strategies to achieve these objectives. One approach that is becoming increasingly relevant is online marketing. Online marketing is a vital component of modern marketing strategies designed to reach consumers more effectively and maximize sales (Kotler dan Keller 2016). The development of technology, information, and communication in the 21st century, particularly the increasingly widespread use of the internet, has created new business opportunities for companies to optimize their online marketing strategies. In Indonesia, the number of internet users reached 221 million out of a total population of 278 million in 2023, marking a 1.4% increase from the previous period (APJII 2024). The use of the internet in online marketing provides advantages in communication,

transactions, and distribution, which collectively accelerate business processes and enhance operational efficiency (Kiang *et al.* 2000).

Moreover, the emergence of electronic commerce, or e-commerce, has played a significant role in accelerating sales growth and expanding market share. E-commerce has revolutionized the way companies interact with consumers, providing opportunities for direct transactions without geographical limitations. In general, e-commerce is defined as the buying and selling of goods electronically through the internet. It can also be defined as a business process that utilizes electronic technology to connect companies, consumers, and communities through electronic transactions, as well as the exchange or sale of goods, services, and information electronically (Esterlina *et al.* 2022). According to a survey by We Are Social, Indonesia has the highest e-commerce user rate in the world, reaching 88.1% (Lidwina 2021). Indonesia is also projected to be the country with the highest e-commerce growth rate in 2024, with a growth rate of 30.5% (Santika 2024).

According to Katadata, Shopee is the most visited e-commerce site in Indonesia, with 159 million visitors in Q1 2023, and this number continued to increase, reaching 237 million by September 2023 (Ahdiat 2023). With the growing number of visits, there has been a noticeable shift in consumer behavior from shopping in physical stores to shopping online via e-commerce platforms.

One of the industries that has been aggressive in this shift is the Fast Moving Consumer Goods (FMCG) industry. According to Compas data, total FMCG sales in marketplaces reached IDR 57.6 trillion in 2023, with the personal care and beauty category contributing 49%, or IDR 28.2 trillion (Irene 2023), this reflects the high consumer interest in personal care and beauty products. Supporting data from Katadata reveals that during Ramadan 2024, FMCG products in the beauty and personal care category achieved the highest sales value, amounting to IDR 2.9 trillion (Muhamad 2023).

L'Oréal Paris is a leading global cosmetics brand, producing products ranging from makeup, skincare, to haircare products. As technology advances, L'Oréal has also revolutionized its sales strategy, expanding from physical stores to online sales through e-commerce platforms. According to L'Oréal Global data, in 2017, L'Oréal's digital sales saw a 33.6% increase in e-commerce (Pontas 2018), demonstrating the company's implementation of an e-commerce strategy. As of August 2023, based on Companies Market Cap data in Katadata, L'Oréal became the largest cosmetics and beauty company by market capitalization, valued at USD 239.47 billion (Dihni 2022).

Beauty and personal care products are an essential part of the lifestyle for many Indonesians. However, consumers often face challenges in assessing products that meet their needs when shopping online. Consumers need to gather comprehensive information about the products they are considering purchasing, including specifications, pros, cons, and pricing. Product reviews and ratings help mitigate the risks of online shopping (Ardianti dan Widiartanto 2019).

Online Customer Review (OCR) are a type of Electronic Word of Mouth (E-WOM), providing product information and recommendations from consumers who have used and purchased the product (Kurniawan *et al.* 2022). The OCR feature in e-commerce platforms can display images, videos, and reviews from previous consumers as a reference to the satisfaction level of the product. There is also a rating feature in e-commerce, where consumers assign star ratings on a scale of 1 to 5. The higher the star rating, the higher the perceived value of the product (Hasanah *et al.* 2023). The purpose of potential consumers using the OCR and rating features is to obtain trustworthy and reputable information, which in turn influences their purchase decisions. Purchase decisions are part of consumer behavior, which refers to how individuals, groups, and organizations choose, buy, and use goods, services, ideas, or experiences to satisfy their needs and desires (Kotler & Armstrong, 2018).

E-commerce platforms provide review and rating features that allow consumers to give feedback on products and services, including details about the condition, authenticity, quality, and suitability of the products. The presence of these review and rating features brings positive benefits to both consumers and sellers. Consumers can access more detailed information about products they are considering purchasing, while sellers receive valuable feedback that can help improve their products and services in the future.

This study focuses on the effectiveness of the review and rating features in enhancing purchase decisions for L'Oréal products. It is hoped that by better understanding the impact of reviews and ratings, companies can gain additional insights to maintain their market position and inspire other companies to grow.

METHOD

This study has 3 variables, consisting of 2 independent variables and 1 dependent variable. The research model is visualized in Figure 1 as follows.
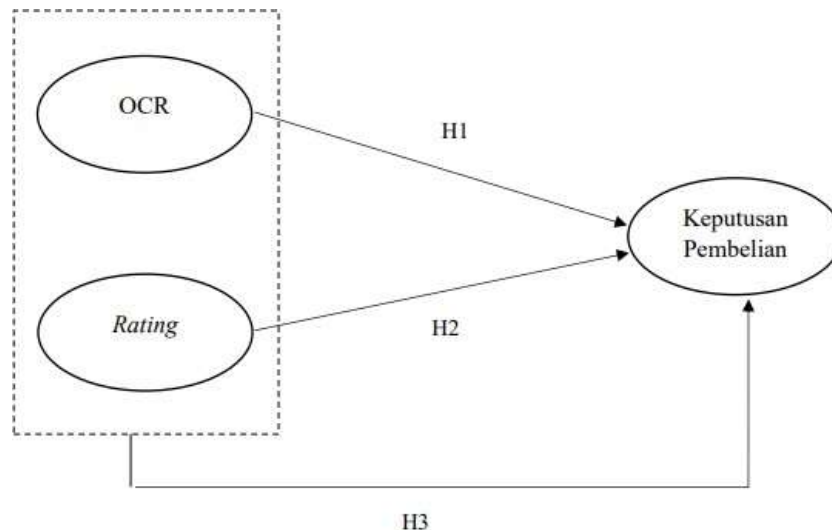

Figure 1. Research Model
Source : processed data, 2024

Based on the research model presented in the figure above, the following initial hypotheses are proposed:

H1 : *Online Customer Review* have an impact on the purchase decision of L'Oréal products
H2 : *Rating* have an impact on the purchase decision of L'Oréal products
H3 : *Online Customer Review* and *Rating* have an impact on the purchase decision of L'Oréal products

This is a quantitative study utilizing both primary and secondary data. Primary data is collected by the researcher during the study and is obtained directly from consumers who have purchased L'Oréal products via an online questionnaire. Secondary data is sourced from books, journals, company websites, and other literature related to the research topic. The study uses a non-probability sampling method with purposive sampling technique. This technique involves selecting samples based on specific criteria that have been set (Sugiyono 2013). The respondents selected are consumers who have made online purchases of L'Oréal products. The sample size in this study was determined using the formula by (Hair *et al.* 2014) which states that the minimum sample size should be five times the total number of indicators being studied. With 19 indicators, the required sample size is (5 x 19), totaling 95 respondents. In this study, the sample size obtained is 402 respondents.

For data processing and analysis, SPSS and SmartPLS 3 software are used. Validity and reliability tests are conducted to assess the accuracy and consistency of the research findings. A valid instrument means that it is capable of producing accurate data (Sugiyono 2013). The validity test follows the criteria of the calculated r value being greater than the r table value of 0.361 (from the distribution table for n=30 with a significance level of 5%). An instrument is considered reliable if respondents' answers to each question remain consistent even after repeated measurements. Reliability is tested using Cronbach's Alpha > 0.6, which indicates that the variable is reliable. The research data is then analyzed using descriptive analysis to describe the characteristics of L'Oréal product consumers. Further analysis is carried out using Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) approach, focusing on predicting and testing relationships between variables.

RESULT AND DISCUSSION

The majority of respondents are female, representing 79%, while male respondents account for only 21%. This indicates that females are more inclined to shop online for beauty and personal care products compared to males, which is also supported by the wider range of L'Oréal products available for women as opposed to men. Regarding educational background, the majority of respondents have completed high school or an equivalent level of education (51%), and most are currently students (55%). In terms of residence, 72% of respondents live in urban areas, suggesting that the majority of

e-commerce users are from regions around the capital city. The average monthly income of respondents is below IDR 2,500,000, with an average expenditure on online beauty and personal care products ranging from IDR 200,001 to IDR 400,000. This aligns with the fact that the majority of respondents are students who do not yet have a high and stable income and rely on financial support from their parents. Over the past year, the average frequency of purchasing L'Oréal products was 2 times, accounting for 43%, and the most frequently used e-commerce platform was Shopee, with 74% of respondents using it.

When selecting beauty and personal care products, several reasons contribute to the choice of L'Oréal brand products, including personal preferences, recommendations from others, product design and aesthetics, brand image, product quality, and product price. The majority of respondents (61%) identified product quality as the primary reason for purchasing L'Oréal products. This aligns with the reputation of L'Oréal as a trusted global cosmetics brand known for constant innovation, which ensures that product quality meets consumer expectations. Following this, brand image and product price were also significant factors, indicating that respondents trust the quality of L'Oréal products, which they perceive as being in line with both the price and the brand image associated with the product.

L'Oréal products are generally available for purchase through both online and offline stores. This study, however, focuses on the reasons respondents choose to purchase products online. These reasons include factors such as experience, product price, recommendations from others, availability of promotions, security, and convenience. Based on the research findings, the majority of respondents (60%) purchase L'Oréal products online primarily due to convenience, specifically the ease of finding products across various e-commerce platforms. This indicates that comfort and accessibility are key factors for respondents when making online purchases of L'Oréal products. This is followed by reasons such as the availability of promotions on online products and recommendations from others.

L'Oréal is a large-scale beauty company that offers a wide range of beauty and personal care products, including makeup, hair care, and skin care products. According to the responses from the respondents, the highest percentage of purchases of L'Oréal products were for skin care items, accounting for 59%. This suggests that consumers are more interested in maintaining and improving their skin condition, as skin care is considered more important for long-term health and appearance. This is further supported by the fact that L'Oréal offers a diverse range of products for both women and men, with a variety available specifically within the skin care category.

Based on the responses from the participants, 96% of respondents have reported seeing product reviews and ratings for L'Oréal, and 85% have also provided feedback in the form of reviews and ratings when purchasing L'Oréal products on e-commerce platforms. The remaining 15% did not provide any feedback. The reasons cited by respondents for providing feedback include receiving incentives, helping the seller, sharing experiences, and assisting future buyers. According to the research findings, the majority of respondents (38%) give feedback in the form of reviews and ratings to share their experiences. The review and rating features assist potential buyers in obtaining information about L'Oréal products based on previous consumer experiences. Trust in the product increases because the reviews and ratings are grounded in real-life experiences, thus providing additional information beyond the product descriptions available on the e-commerce platforms.

Validity and Reliability Test

The validity and reliability tests were conducted to assess each question in the questionnaire by administering it to 30 respondents, and then analyzing the data using the Statistical Product and Service Solutions (SPSS) 25 application. The questionnaire in this study utilized 19 indicators, and all indicators showed a calculated r value greater than 0.361. This indicates that all the indicators in the questionnaire are valid and suitable for use with other respondents. For reliability, the Cronbach's Alpha value was found to be greater than 0.6, which means that the research questionnaire is reliable.

Structural Equation Modelling – Partial Least Square Analysis

The data from this study were analyzed using the SEM-PLS method with the SmartPLS 3 software. The SEM-PLS analysis is divided into two submodels: the measurement model (outer model) and the structural model (inner model).

Measurement Model (Outer Model)

The outer model analysis is used to assess the validity and reliability of the indicators in relation to the latent variables. This study includes three latent variables: online consumer review, rating, and purchase decision. The online consumer review variable is measured using six indicators: OC1, OC2, OE1, OE2, OU1, and OU2. The rating variable is measured using six indicators: RC1, RC2, RE1, RE2, RL1, and RL2. The purchase decision variable is measured using seven indicators: KP1, KP2, KM1, KM2, KJ1, KJ2, and KB1. The outer model test is detailed as follows:

1. Convergent Validity

A correlation is considered to meet the criteria for convergent validity if the loading factor value is greater than 0.5 (Chin 1998). If the correlation does not meet this criterion, the indicator will be dropped one by one and recalculated. Figure 2 displays the results of the initial outer model measurement.
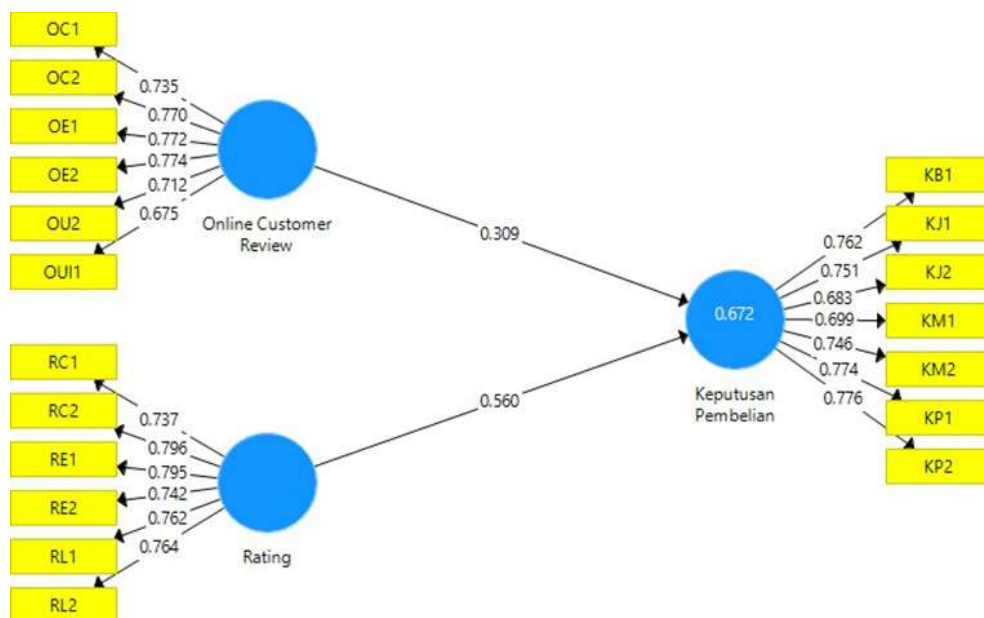

Figure 2. The Result of Outer Model
Source : processed data, 2024

After conducting the convergent validity calculation, all indicator values in this study exceeded the threshold of 0.5, thus no dropping was required. The indicator OE2 (feeling of satisfaction and comfort when reading online reviews) had the highest loading factor value of 0.774 for the online customer review variable. This suggests that respondents reported a high level of satisfaction when reading online reviews of L'Oréal products.

For the rating variable, a loading factor of 0.796 was found for the indicator RC2 (trust in e-commerce ratings being based on consumers' shopping experiences). This indicates that respondents place their trust in the ratings provided on e-commerce platforms, viewing them as authentic experiences from consumers who have purchased and experienced the strengths or weaknesses of L'Oréal products. The higher the rating given, the better the perceived quality of the product.

For the purchase decision variable, a loading factor of 0.776 was found for the indicator KP2 (the price of L'Oréal products is in line with their quality, influencing the purchase decision). This suggests that the price paid by consumers aligns with the quality received. Therefore, the congruence between price and quality is a key factor in influencing the purchase decision for L'Oréal products.

2. Average Variance Extracted

The Average Variance Extracted (AVE) value is a method used to assess convergent validity. According to (Hair *et al.* 2014), a variable is considered valid if its AVE value exceeds 0.5. Table I presents the results of the AVE calculations in this study.

Laten Variable	AVE Value
Online Customer Review	0,551
Rating	0,548
Purchase Decisions	0,587

Table I: AVE Data
Source: processed data, 2024

Table I shows that all latent variables have values greater than 0.5, indicating that all latent variables are considered valid and have passed the convergent validity test.

3. Discriminant Validity

The next step in the outer model measurement is the evaluation of discriminant validity by examining the cross-loading values. A variable and its indicator are considered valid if the correlation between the construct and its own variables is greater than the correlation between that construct and other variables. Table II presents the cross-loading values.

Indicator	Online Customer Review	Rating	Purchase Decisions
OC1	**0,735**	0,569	0,559
OC2	**0,770**	0,555	0,577
OE1	**0,772**	0,633	0,595
OE2	**0,774**	0,611	0,556
OU1	**0,675**	0,486	0,482
OU2	**0,712**	0,513	0,483
RC1	0,527	**0,737**	0,545
RC2	0,610	**0,796**	0,597
RE1	0,547	**0,795**	0,647
RE2	0,649	**0,742**	0,626
RL1	0,597	**0,762**	0,605
RL2	0,565	**0,764**	0,626
KP1	0,591	0,601	**0,774**
KP2	0,565	0,600	**0,776**
KM1	0,521	0,588	**0,699**
KM2	0,572	0,557	**0,746**
KJ1	0,538	0,597	**0,751**
KJ2	0,455	0,553	**0,683**
KB1	0,567	0,631	**0,762**

Table II: Cross Loading Data
Source: processed data, 2024

Based on Table II, the results show that the correlation of each construct is higher than its correlation with other variables. It can be concluded that all indicators effectively represent their respective latent variables better than other indicators.

4. Composite Reliability

The next step involved conducting a reliability test to assess the consistency of each indicator used to represent its respective latent variable. A variable is considered reliable and consistent if both

the Cronbach's Alpha and composite reliability values exceed 0.7 (Hair *et al.* 2014). Table III presents the Cronbach's Alpha and composite reliability values.

Variable	Cronbach's Alfa	Composite Reliability
Online Customer Review	0,864	0,896
Rating	0,835	0,879
Purchase Decisions	0,859	0,895

Table III: Cronbach's Alpha and Composite Reliability Data
Source: processed data, 2024

Table III shows that all variables in this study are accurate and consistent, as evidenced by the Cronbach's Alpha values greater than 0.6 and composite reliability values exceeding 0.7.

Structural Model (Inner Model)

After completing the outer model analysis, the next step is to conduct the structural model (inner model) analysis by using the R-square value and t-statistics for the path coefficient estimates obtained through the bootstrapping process. The R-square value illustrates the extent to which the exogenous latent variables affect the endogenous latent variables. The R-square values are presented in Table IV.

Latent Variable	*R Square*
Purchase Decisions	0,672

Table IV: R-square Data
Source: processed data, 2024

Based on Table IV, the variables online customer review and rating explain 67.2% of the variation in the purchasing decision variable, with the remaining variance being explained by other variables not investigated in this study.

The path coefficients are analyzed by examining the t-statistic values obtained through the bootstrapping process. During this process, the researcher can determine whether the hypotheses proposed in the research model are accepted or rejected. The significance of the relationship between exogenous and endogenous latent variables is indicated by the t-statistic values. The nature of the relationship between variables (positive or negative) is obtained from the original sample value. If the t-statistic value is greater than the t-table value of 1.96 (at a 5% significance level), the hypothesis can be accepted. The path coefficient values are presented in Table V.

Path of Influence	Original Sample	t-statistics	P-Values	Hypothesis
Online Customer Review -> Purchase Decisions	0,309	3,766		
Rating -> Purchase Decisions	0,560	6,671	0,000	Accepted

Table V. Path Coefficients Data
Source: processed data, 2024

Based on Table V, it can be concluded that the online customer review and rating have the following effects on the purchasing decision of L'Oréal products:
1. The Effect of Online Customer Review on Purchase Decision

The effect of online customer reviews on the purchase decision of L'Oréal products has an original sample value of 0.309 (positive), a t-statistic value of 3.766, and a p-value of 0.000. The

positive original sample value indicates that the relationship between online customer reviews and the purchase decision is positive. Furthermore, the p-value is smaller than 0.05, and the t-statistic value is greater than the t-table value of 1.96, which means that the first hypothesis is accepted and has a significant effect. This result supports the study by Kurniawan et al., (2022) which suggested that online customer reviews have a significant and positive impact on the purchase decisions for Somethinc skincare products. The results indicate that online customer reviews play a crucial role in building consumer trust and influencing purchasing decisions within the beauty industry, including L'Oréal products. In the context of e-commerce, where reviews from other consumers serve as a key factor in driving purchases, these findings hold particular relevance.

Moreover, the review feature on e-commerce platforms enables consumers to gain deeper insights into L'Oréal products. The highest outer loading value was observed for the OE2 indicator, which reflects the feelings of satisfaction and comfort when reading online reviews. This suggests that online reviews are perceived as more honest and trustworthy due to being based on the direct experiences of previous customers, thus significantly impacting purchasing decisions. Consequently, it is essential for e-commerce platforms to offer a review feature, and for companies to encourage customers to write reviews, which in turn can help future buyers make informed purchasing decisions.

H1 accepted : Online customer reviews have a significant and positive impact on purchase decisions.

2. The Effect of Rating on Purchase Decision

The influence of rating on the purchase decision of L'Oréal products was evaluated with an original sample value of 0.560 (positive), a t-statistic value of 6.671, and a p-value of 0.000. The positive original sample value indicates a positive relationship between ratings and purchase decisions. Furthermore, the p-value is less than 0.05, and the t-statistic exceeds the critical value of 1.96, confirming the acceptance of the second hypothesis and demonstrating a significant effect. These findings are consistent with the study by Hasanah et al., (2023) which found that ratings significantly and positively influence purchase decisions among e-commerce users on Shopee. The results are in line with the respondent data in this study, where Shopee was identified as the most frequently used e-commerce platform for purchasing L'Oréal products, accounting for 74%. Product ratings on Shopee serve as a crucial factor in shaping consumers' perceptions of quality and enhancing their trust in the products sold. Therefore, it can be concluded that ratings impact purchase decisions in e-commerce, particularly on Shopee, as consumers tend to utilize ratings to compare products and make more informed decisions.

The rating feature becomes a key consideration before purchasing a product, as indicated by the highest outer loading value on the RC2 indicator, which reflects the belief that ratings on e-commerce platforms are based on consumers' shopping experiences. Ratings provide a quick overview of consumer satisfaction without requiring lengthy reviews, thus indicating the quality of the product or service with a star rating scale from 1 to 5. Additionally, consumers are not required to provide written reviews when leaving a rating, resulting in a higher number of ratings compared to reviews. This makes ratings a more accessible and commonly used indicator for determining purchase decisions for L'Oréal products.

H2 accepted : Ratings have a significant and positive impact on purchase decisions.

3. The Combined Effect of Online Customer Review and Rating on Purchase Decision

Based on the inner model analysis, the R-squared value obtained is 0.672, which indicates that 67.2% of the variation in purchase decisions is explained by the online customer review and rating variables. In this study, there are two independent variables and a sample size of 402, with a significance level of 5%. According to (Sugiyono 2014) the F-statistic can be calculated as follows:

$$F_{hit} = \frac{R^2/k}{(1-R^2)/(n-k-1)} = \frac{0.672^2/2}{(1-0.672^2)/(402-2-1)} = 199.49$$

$$F_{tabel} = F_{0.05}(k, n-k-1) = F_{0.05}(2, 402-2-1)$$

$$= F_{0.05}(2, 399) = 3.01 \text{ (diperoleh dari Tabel F)}$$

The The hypothesis is accepted because the calculated F-value (199.49) is greater than the critical F-value (3.01). This suggests that online customer reviews and ratings, when considered together, have a significant and positive effect on the purchase decision of L'Oréal products. This finding indicates that as the quality of product reviews and ratings improves, consumers are more likely to make a quicker purchase decision. This is in line with the highest outer loading value observed in indicator KP2, which reflects that the product price of L'Oréal is aligned with its quality and serves as a key consideration in the purchasing process.

The results of this study support those of Ibrahim et al., (2023) who found that online customer reviews and ratings, collectively, have a significant and positive influence on the purchase decision of HMNS perfume via e-commerce. This demonstrates that these two variables not only work independently but also complement each other in shaping consumer perceptions of the product. Consumers tend to rely on both forms of information to assess product quality and reduce perceived risk before making a purchase decision. This is true not only for perfumes but also across various product categories in e-commerce. In the context of this study, both online customer reviews and ratings are crucial factors influencing the purchase decision of L'Oréal products in e-commerce.

H3 accepted : The combination of online customer reviews and ratings has a significant and positive impact on purchase decisions.

Managerial Implications

The findings of this study demonstrate that both online customer reviews and ratings have a significant and positive impact on the purchase decisions of L'Oréal products. Based on these results, several managerial implications are recommended. These recommendations can be derived by analyzing the SEM-PLS results, specifically focusing on the highest outer loading values for each variable, in conjunction with the 4P marketing mix (Product, Price, Place, Promotion). However, before determining the marketing mix strategy, an STP analysis (Segmentation, Targeting, Positioning) is necessary.

Segmentation is conducted by dividing the market based on demographic characteristics, where the majority of consumers are female students, with most residing in urban areas. Psychographically, this segment consists of individuals who are concerned with appearance, beauty, and personal hygiene. In terms of behavior, these consumers typically spend between Rp200,001 and Rp400,000 on online shopping, with a moderate frequency of purchases.

The primary target is young women, as they are more likely to be interested in self-care and are active in e-commerce, particularly during discount or promotional periods. Additionally, urban consumers enjoy greater access to e-commerce services. In terms of positioning, L'Oréal can position itself as an affordable yet high-quality beauty brand that keeps up with the latest beauty trends, specifically targeting young women and students. L'Oréal should emphasize easy access through e-commerce platforms like Shopee, which often offer attractive promotions. By applying this STP approach, L'Oréal can more effectively target young female students in urban areas who engage in online shopping, positioning its products as quality, affordable beauty care options.

The analysis reveals that the highest outer loading value for the online customer review variable is found in indicator OE2 (pleasure and comfort when reading online reviews). Consumers feel happy and comfortable reading reviews before deciding to purchase a product because they believe the information in reviews provides honest, additional insights into the strengths or weaknesses of the product. Therefore, it is crucial for the company to ensure consistent, high-quality products to receive positive reviews from customers. The ease of access for customers to leave reviews on e-commerce platforms also contributes to their satisfaction and comfort, especially with the availability of review templates that help categorize consumer experience ratings.

For the rating variable, the highest outer loading value is found in RC2 (trust that ratings on e-commerce platforms are based on consumer shopping experiences). Consumers are more likely to trust a product's rating because it reflects the opinions of others who share their shopping experiences. E-commerce review verification systems also ensure that reviews and ratings can only be submitted by consumers who have actually purchased the product, as they are often asked to provide proof of purchase before submitting a review or rating. This enhances trust that the ratings are based on real

consumer experiences. Therefore, companies must ensure that their products meet high customer expectations to receive favorable ratings.

For the purchase decision variable, the highest outer loading value is found in indicator KP2 (the price of L'Oréal products aligns with their quality, making it a consideration in the purchase decision). L'Oréal, a global brand with a high reputation in the beauty and personal care industry, uses innovation and technology that keeps pace with trends, backed by scientific testing for optimal results. This gives consumers confidence that L'Oréal products are of high quality, justifying the price they pay.

The marketing mix, or 4Ps (Product, Price, Place, Promotion), is a set of tactical marketing tools integrated by a company to elicit the desired response from the target market (Kotler dan Armstrong 2018). The marketing mix includes everything a company can do to engage consumers and deliver value. In this study, L'Oréal can apply a 4P marketing strategy to enhance purchase decisions for their products. The recommended strategies are as follows:

1. Product

L'Oréal can continue to develop new products in line with beauty trends and consumer needs, such as natural or organic-based products, and environmentally-friendly packaging. Additionally, L'Oréal must maintain and enhance the quality of its products and services to achieve customer satisfaction and loyalty. In terms of products, L'Oréal can offer more color options that cater to various skin tones of Indonesian consumers, and utilize high-quality ingredients along with the latest technological innovations to ensure product effectiveness and safety. For services, L'Oréal can provide additional offerings such as online beauty consultations and product usage guides to enhance the customer experience. Furthermore, including detailed features for each product, such as SPF checks for sunscreens or ammonia-free formulations for hair dyes, will help meet consumer expectations. As a result, consumer reviews and ratings will improve, which ultimately can lead to higher purchase decisions for L'Oréal products.

2. Price

L'Oréal needs to set competitive prices by offering a range of pricing options to reach different market segments, for example, by creating mini-sized products that maintain quality and value. This strategy will attract more consumers to try L'Oréal products, especially those who are interested but deterred by price. In addition, L'Oréal can offer discounts, bundling, or special promotions during certain periods, such as holidays or major events, as well as provide easy payment options. Loyalty programs and rewards for frequent customers also add value for consumers who regularly purchase L'Oréal products. With prices that align with the quality and services provided, consumers will feel more confident in purchasing L'Oréal products. This strategy not only increases the appeal of the products but also ensures customer satisfaction and loyalty.

3. Place

L'Oréal should further expand its distribution channels across various e-commerce platforms and form partnerships with physical stores and retailers, ensuring that all products are distributed and available at different sales locations, thus facilitating consumer access to L'Oréal products. This aligns with the primary reason respondents purchase L'Oréal products online through e-commerce, which is the convenience of shopping, allowing them to access products at any time without the need to prepare to visit a physical store. Therefore, for online purchases, it is also essential to collaborate with reliable transportation networks to deliver products to various locations, ensuring they reach consumers on time and in good condition.

4. Promotion

L'Oréal should leverage social media and digital platforms to run engaging marketing campaigns, such as creating educational and informative content about products or beauty tips, collaborating with influencers, brand ambassadors, or beauty bloggers to increase brand awareness and attract consumer attention, as well as utilizing advertisements on television, e-commerce, social media, and other platforms. Additionally, L'Oréal must be active in public relations activities, including sponsoring beauty events or offering sales promotions such as providing extra gifts with specific purchase amounts. Given the significance of reviews and ratings in influencing consumer purchase

decisions, L'Oréal should activate campaigns that encourage the writing of positive reviews and ratings to build trust with new consumers.

CONCLUSION AND RECOMMENDATION

Based on the analysis and discussion, the following conclusions can be drawn:

1. The majority of L'Oréal product purchasers on e-commerce platforms are women residing in urban areas, with the highest educational level being high school or its equivalent. They are primarily students, with relatively low monthly incomes. These respondents allocate a small portion of their income towards beauty product purchases, particularly skincare products, and exhibit a moderate purchase frequency over the past year.

2. Online customer reviews significantly and positively influence purchasing decisions for L'Oréal products. This indicates that online customer reviews impact purchasing decisions in the same direction; the better the reviews, the more likely consumers are to decide to make a purchase.

3. Ratings have a significant and positive effect on the purchasing decisions for L'Oréal products. This suggests that ratings influence purchasing decisions in a similar manner; the higher the rating of a product, the more trustworthy it appears to consumers, which, in turn, increases the likelihood of purchasing the product.

4. Both online customer reviews and ratings, when considered together, significantly and positively influence the purchasing decisions for L'Oréal products. This implies that both online reviews and ratings work in tandem to influence purchasing decisions; the more favorable the reviews and ratings, the more likely consumers are to proceed with their purchase decisions.

The following recommendations are suggested based on the findings:

1. L'Oréal and e-commerce platforms should become more proactive in campaigns that encourage writing reviews and ratings to enhance product purchase decisions. This can be achieved by improving the quality of products, ensuring that reviews and ratings are positive. It is essential to ensure that reviews and ratings come from consumers who have genuinely purchased the products. If there are any irrelevant reviews, they should be filtered and removed to ensure that the information available is useful to consumers. Additionally, optimizing the performance of review platforms by implementing a ranking system based on the highest number of likes can also enhance the effectiveness of reviews.

2. For future research, it is recommended that researchers expand the observed variables if the same research subject is used. Variables such as viral marketing, perceived risk, taglines, and others can be included to explain the factors influencing consumer purchase decisions.

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