

The Influence of Affiliate Marketing and Online Customer Review on Purchase Intention

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ABSTRACT

This study aims to analyze the influence of affiliate marketing and online customer reviews on the purchase intention of Generation Z consumers on the Shopee platform. As digital natives, Generation Z relies heavily on online content and peer reviews when making purchasing decisions. The research adopts a quantitative approach, surveying 87 students from Batam State Polytechnic who are familiar with Shopee. Data was gathered through an online questionnaire and analyzed using Structural Equation Modeling (SEM) with SmartPLS software. The findings reveal that both affiliate marketing and online customer reviews significantly influence purchase intention. Affiliate marketing, driven by influencers, successfully attracts consumer attention and enhances interest in products. Meanwhile, positive online customer reviews help build trust, reduce uncertainty, and encourage purchasing decisions. These results underscore the critical role of affiliate marketing and online reviews in shaping consumer behavior. By integrating these strategies, e-commerce platforms like Shopee can increase consumer engagement and strengthen purchase intentions among their target audience.

Keywords: *Affiliate Marketing, Online Customer Review, Purchase Intention, Generation Z, E-commerce*

1. Introduction

In today's digital era, where technology and online interactions shape daily life, younger generations such as Generation Z and Generation Alpha are particularly immersed in digitalization. Generation Z, born between 1995 and 2009, and Generation Alpha, born from 2010 to an estimated 2024 McCrindle, (2019) have grown up surrounded by technological advancements like the internet, smartphones, and social media platforms.

The rise of social media has transformed how people search for and receive information about products and services. It enables consumers to build stronger relationships with brands and exchange information with other shoppers quickly and easily. Many users contribute by posting online reviews of products they have purchased, which significantly influences consumer opinions and shapes brand image. Online reviews, or electronic

word-of-mouth (eWOM), have thus become a crucial marketing strategy Hofer, (2021) The rapid increase in internet usage, as seen in Indonesia, underscores the importance of digital resources, with over a third of the population having internet access (Hardianawati, 2023).

Marketing strategies now include affiliate marketing, which has gained considerable popularity. In affiliate marketing, influencers collaborate with e-commerce platforms to promote products and earn commissions on sales made through their affiliate links. 47% of consumers in the US make purchases based on influencer recommendations, and 60% click on influencer affiliate links, indicating the effectiveness of this strategy in driving consumer interest (Bazaarvoice, 2020).

Influencers can enhance brand awareness and purchase interest by promoting products through engaging and high-quality content (Rosdiana *et al.*, 2019). They can

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also provide tailored product recommendations and offer special discounts through affiliate links. Therefore, selecting the right influencers is crucial for improving user experience and building long-term relationships (Salim *et al.*, 2017).

Online reviews are a significant aspect of consumer feedback, offering insights into products. On platforms like Shopee, affiliate programs and customer review features have a substantial impact on purchasing decisions. Reviews from both influencers and customers influence product perceptions (Ashari & Indayani, 2021). Generation Z, frequently exposed to review content on social media, is particularly influenced by these reviews when making purchasing decisions.

Understanding consumer purchase intentions is essential for brands to predict future buying behavior. Both affiliate marketing and online reviews play a key role in shaping purchase intentions, especially on e-commerce platforms like Shopee, which is the most popular e-commerce platform in Indonesia with 73% of users making purchases through it (A'bidah Zaid Shirbeeni, 2024).

2. Theoretical Review

Affiliate Program

Influencer affiliate programs are marketing strategies where influencers promote a brand's products or services using unique affiliate links, earning commissions on sales made through those links. In this setup, influencers integrate affiliate links into their content and direct their followers to purchase products or services. Brands running these programs should select influencers whose audience aligns with their target market and offer competitive commissions. Influencers then leverage their social media platforms to drive traffic and sales through the provided affiliate links (Dwi *et al.*, 2022).

Research by Suhendra, (2023) highlights three key dimensions for evaluating affiliate marketing effectiveness: engagement, reach, and impression. Engagement involves metrics such as likes, comments, shares, and clicks on affiliate links, along with how long users interact with the content. Reach is measured by the number of unique visitors, new followers, and overall page views, including potential metrics like impressions and content distribution. Impression focuses on how often and widely content is viewed, including ad frequency and visibility in social feeds. Brand awareness is assessed by tracking the increase in brand mentions, overall recognition, and visibility among the target audience

Online Customer Review

Online customer reviews are feedback from consumers about products or services they've purchased online, typically presented as written reviews and ratings (Mo *et al.*, 2015). These reviews reflect consumers' experiences with the product and can significantly impact the product's perception. On platforms like Shopee, reviews and ratings help other buyers make informed decisions. Reviews offer detailed descriptions of a product's pros and cons, while ratings usually use a star system, where more stars indicate better evaluations (Lackermair *et al.*, 2013).

Research by Lackermair *et al.*, (2013) identifies several key variables for assessing the impact of online reviews on purchasing decisions. The awareness dimension includes recognizing the existence of reviews and knowing where to find them. The attitude dimension reflects how consumers view reviews as a critical source of information before buying. Frequency measures how often individuals read reviews before making a purchase and their habit of checking reviews regularly. The comparison dimension involves evaluating multiple reviews to assess the quality and relevance of the information. Lastly, the effect dimension examines how

reviews influence purchase decisions, including the level of trust in reviews compared to seller information and how negative reviews might deter purchases.

Purchase Intention

Purchase interest can be influenced by various factors. According to Fongkeng and Cameroon & Thesis (2021) sales promotions play a significant role in boosting sales. Sales promotions are defined by Alavuk *et al.* (2015) as strategies aimed at increasing market share through targeted company activities. Other important factors include electronic service quality and brand image. Andrew, (2019) found that both have a substantial impact on customer purchase interest. Brand image represents a product's or service's identity, while electronic service quality, as described by Chase *et al.*, (2006), refers to a site's effectiveness in facilitating shopping and purchasing processes. Perlman, (2021) adds that if customers find an e-commerce app appealing, their interest in shopping through it increases.

D. Durianto & Liana. C (2004) outline five decision-making aspects of purchase intention: brand choice, supplier choice, quantity, timing, and payment method. Consumer interest is driven by attributes that meet their needs, so understanding these factors is crucial.

Suhendra, (2023) further breaks down purchase intention into several dimensions: transactional interest, which includes readiness to buy and seriousness about purchasing; referral interest, which involves recommending the product and confidence in doing so; preferential interest, which covers product preference and brand loyalty; and exploratory interest, which reflects the desire to gather more information and understand the product better before making a decision.

Hypothesis Development

Hypothesis development helps outline the research variables and their relationships. By creating hypotheses,

researchers can visualize how one variable affects another. Additionally, a research paradigm is used to provide an overview of these variables. The hypothesis development process clarifies the influence of independent variables on dependent variable.

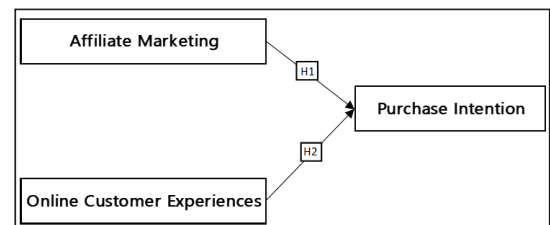


Figure 1. Hypothesis framework

H1: Affiliate Marketing has a positive effect on Purchase Intention

H2: Online Customer Review have a positive effect on Purchase Intention

3. Research Methods

This study employs a quantitative approach to explore how affiliate marketing (X1) and online customer reviews (X2) affect purchase intention (Y) among Generation Z consumers. The sample consists of 87 D4 Applied Business Administration students from Batam State Polytechnic, selected based on their experience with Shopee influenced by these factors. Data was collected via a structured online questionnaire with items rated on a Likert scale from 1 (Strongly Disagree) to 5 (Strongly Agree).

Data Analysis Techniques

The data analysis techniques in this study include both descriptive and inferential statistical analyses.

Ghozali, (2018a) States descriptive statistics involve evaluating validity and reliability using the Structural Equation Model (SEM) approach with SmartPLS. Convergent validity is assessed by ensuring that indicators accurately represent the

construct, typically demonstrated by outer loadings above 0.70 or an Average Variance Extracted (AVE) value over 0.50. Discriminant validity is determined by ensuring low correlations between distinct constructs, while reliability is tested through composite reliability and Cronbach's alpha, with acceptable values being above 0.70 and 0.50, respectively.

Inferential statistics involve assessing the inner model, focusing on several key aspects: R-square to measure the explanatory power of the model for endogenous variables, Goodness-of-Fit Index to evaluate the model's fit, Variance Inflation Factor (VIF) to detect multicollinearity, F-square to measure effect size, and Q-square to evaluate the model's predictive relevance. These assessments provide insights into how well the model predicts endogenous variables and identify potential issues within the model (Sumanti et al., 2024).

4. Result and Discussion

Characteristic Respondents

Table 1 Characteristic Respondents

No	Description	F	Percentage (%)
1	Respondent Age		
	17 – 20	28	32,2%
	21 – 24	64	60,9%
	23 – 26	6	6,9%
	Total	87	100%
2	Semester		
	2	20	23,0%
	4	21	24,1%
	6	22	25,3%
	8	24	27,6%
	Total	87	100%

Sources: Primary data processed, 2024

From the characteristics of the respondents above, it is found that the age of the respondents ranges from 17 to 26 years. In addition, all respondents were from semesters 1 - 8. This shows that the

characteristics of the respondents have met the specific criteria for Purposive Sampling that have been determined previously.

Results

The results of the descriptive analysis are analyzed by showing the Mean as Output and categorizing the output in the context of satisfaction. Affiliate Marketing variable (X1) gets a Mean of 2.48 which is included in the sufficient category. The Online Customer Review variable (X2) gets a Mean of 2.66 which is included in the good category. The Purchase Intention variable (Y) gets a Mean of 2.56 which is included in the good category.

Data Analysis Using SEM-PLS

Outer Model

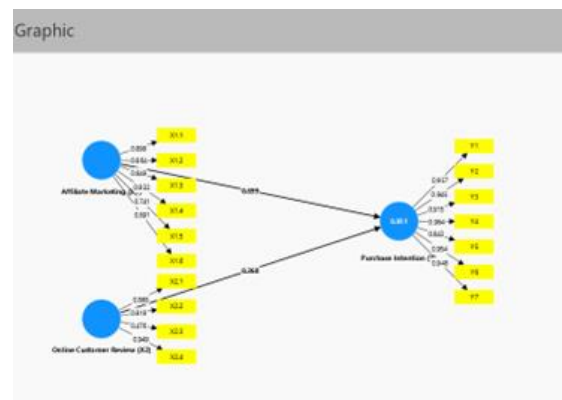


Figure 2. Outer Model

Convergent Validity

using the Product Moment Correlation of 96 respondents using the Product Moment Correlation of 96 respondents using a confidence level of 95% confidence, an rtable of 0.202 was obtained. The validity test results can be seen in the table below: using a confidence level of 95% confidence, obtained an rtable of 0.202. The validity test results can be seen in the table below:

Table 2. Convergent Validity

	Outer Loading Value	
Affiliate Marketing (X1)	X1.1	0,899
	X1.2	0,864
	X1.3	0,849

Outer Loading Value	
	X1.4 0,932
	X1.5 0,741
	X1.6 0,891
	X2.1 0,868
Online Customer Review (X2)	X2.2 0,919
	X2.3 0,476
	X2.4 0,949
	Y1 0,957
	Y2 0,945
Purchase Intention (Y)	Y3 0,915
	Y4 0,964
	Y5 0,843

Sources: Primary data processed, 2024

Based on the table above, in the Affiliate Marketing (X1), no constructs were removed because all factor loading values of the manifest variables were higher than 0.7. Furthermore, in the Online Customer review (X2). Manifest variables are present when the factor loading value is less than 0.7, thus causing the deletion of X2.3. Based on as shown in the table above, in the Purchase Intention (Y), no constructs were eliminated because all the factor loading values of the manifest variables were higher than 0.7.

Discriminant Validity

These values are the factor cross-loadings:

Table 3. Discriminant Validity

Variabel	Affiliate Marketing (X1)	Online Customer Review (X2)	Purchase Intention (Y)
X1.1	0,899	0,787	0,831
X1.2	0,864	0,473	0,795
X1.3	0,849	0,533	0,777
X1.4	0,932	0,594	0,840
X1.5	0,741	0,321	0,633
X1.6	0,891	0,796	0,811
X2.1	0,64	0,883	0,655
X2.2	0,598	0,959	0,685
X2.4	0,658	0,976	0,756
Y1	0,877	0,837	0,957
Y2	0,846	0,624	0,945
Y3	0,820	0,658	0,914
Y4	0,881	0,706	0,964
Y5	0,768	0,536	0,843
Y6	0,887	0,822	0,954
Y7	0,838	0,644	0,948

Sources: Primary data processed, 2024

From the data, it is evident that indicators for each construct load more highly on their respective constructs compared to others. For instance, the X1 indicators show high factor loadings (above 0.7) on the Affiliate Marketing (X1) construct and low loadings on other

constructs. Similarly, the X2 and Y indicators exhibit high loadings on their respective constructs and low loadings elsewhere. This pattern confirms that the constructs are distinct and well-measured, indicating good discriminant validity in this model.

Composite Reliability

The assessment of construct reliability is carried out using the composite reliability and Cronbach's alpha coefficient obtained which is used by the construction indicator block for measurement. While the composite reliability and Cronbach's alpha values exceed 0,70, i.e. construct reliability has been established.

Table 4. Composite Reliability

Construct Validity and Reliability	Ca	(rho_a)	(rho_c)	(AVE)
Affiliate Marketing (X1)	0,931	0,937	0,946	0,748
Online Customer Review(X2)	0,934	0,941	0,958	0,884
Purchase Intention (Y)	0,975	0,978	0,979	0,871

Sources: Primary data processed, 2024

Each construct has high composite reliability values, with rho_c values all above 0.7. This indicates that the indicators within each construct correlate well with each other and contribute consistently to the measurement of the construct. With high values, we can have greater confidence in the measurement quality of the constructs in the model. In addition, it can be seen that the average variance extracted (AVE) value for each construct is also relatively high, indicating that the indicators in the construct successfully explain the variation of the construct well.

R-Square

To evaluate the structural model, we use the R-squared values of the dependent variable and the path coefficients of the independent variables. Here's a simple guide to interpreting these values:

1. **Strong:** An R-squared value of 0.70 or higher indicates a strong model fit.
2. **Medium:** An R-squared value around 0.50 suggests a medium model fit.
3. **Weak:** An R-squared value of 0.25 or below indicates a weak model fit.

After evaluating the R-squared values, we check the significance of these results by examining the t-statistics for each path in the model.

Table 5. R-Square

R-Square		
	R-Square	Adjusted R-Square
Purchase Intention	0,851	0,848

Sources: Primary data processed, 2024

The R-squared value for the Purchase Intention variable is 0.851, meaning that approximately 85.1% of the variation in Purchase Intention is explained by Affiliate Marketing and Online Customer Reviews. This high R-squared value indicates that both Affiliate Marketing and Online Customer Experience significantly contribute to explaining variations in Purchase Intention.

F-Square

To determine the impact of external latent factors on endogenous latent variables, we use the effect-size F^2 :

1. **Strong:** An effect size of 0.35 or higher indicates a strong influence.
2. **Medium:** An effect size of 0.15 suggests a medium influence.
3. **Weak:** An effect size of 0.02 or lower indicates a weak influence.

This helps us understand how significantly external factors affect the endogenous variables in the model.

Table 6. F-Square

F-Square	X1	X2	Y
Affiliate Marketing (X1)			1,992
Online Customer Review (X2)			0,188
Purchase Intention (Y)			

Sources: Primary data processed, 2024

From the F-Square value, it can be seen that Affiliate Marketing and Online Customer Experience have a more significant influence on Shopee Purchase Intention. A higher F-Square value indicates a stronger contribution to the Y variable Purchase Intention in the regression model.

Hypothesis Test (t-statistics)

Table 7. t-statistics

Path coefficient - Mean, STDEV, T-value, p-value					
(O)	(M)	(STDEV)	(O/STDEV)	(P values)	(O)
X1 - > Y	0,749	0,753	0,050	14,925	0,000
X2 - > Y	0,230	0,226	0,054	4,300	0,000

Sources: Primary data processed, 2024

This is possible when testing hypotheses using statistical tests such as t-statistics, p-values, and significance values between constructs. By replacing empirical observations with statistical assumptions, estimates and standard errors of measurement are no longer calculated. In this study, the bootstrap procedure accepts the hypothesis when significant t-values exceed 1.96, when the significance level is below 0.05:

In this study, the hypothesized values are as follows:

1. Affiliate marketing has an influence on shopee purchase intention, in accordance with H1 (PEOU) which is accepted if it has a statistical value of t is 14,925 which is greater than 1,96 or the P value is 0,000, which is smaller than 0,50.
2. Online customer review on purchase intention has a positive influence, which means this hypothesis is accepted. The result of PEOU has a t-value statistic of 4,300 > 1,96 or the P-values are 0,000 < 0,050.

Discussion

The results of testing using data analysis techniques that have been carried out previously, it is found that the variables Affiliate Marketing (X1) and Online Customer Review (X2) on Shopee Purchase Intention (Y)

Affiliate Marketing to Purchase Intention

From the calculation results obtained by the Affiliate Marketing (X1) variable, the t value is 14.925 which is greater than 1.96 or the P-value is 0.000 which is smaller than 0.50. This shows that variable X1 has a significant effect on variable Y. This shows that the Affiliate Marketing variable has a substantial impact on consumer purchase intentions on the Shopee platform. This finding emphasizes the importance of Affiliate Marketing strategies in increasing consumer interest in making purchases, which is related to the effectiveness of these strategies in attracting attention and influencing consumer purchasing decisions. The results of this hypothesis test are the same as the results of research conducted by Asadiyah et al., 2023; Ashari & Andayani, 2021 proves that affiliate marketing has a positive effect on purchase intention.

Online Customer Review to Purchase Intention

As with the Online Customer Review (X2) variable on Shopee Purchase Intention (Y), it has a t-value statistic of 2,651 > 1,96 or the P-values are 0,008 < 0,050. This shows the important role of online reviews in influencing purchasing decisions in e-commerce, besides that positive customer reviews can strengthen consumer confidence and influence their decision to buy. The results of this hypothesis test are in line with research conducted by Ashari & Indayani, 2021; Lackermair et al., 2013 proves the positive influence of Online Customer Reviews on purchase intention.

Table 8. Recapitulation table hypothesis testing results

Hyphotesis	Results	Conclusion
H1	Affiliate Marketing has a positive and significant effect on Shopee purchase intention.	Accepted
H2	Online Customer Review has a positive and significant effect on Shopee purchase intention.	Accepted

5. Conclusion and Suggestion

Conclusion

Based on the research conducted, it can be concluded that Affiliate Marketing has a positive and significant effect on Purchase Intention. This finding indicates that well-implemented affiliate marketing strategies can enhance consumers' interest in making a purchase. Consumers tend to be more inclined and motivated to buy products recommended by affiliates, particularly when those affiliates possess credibility or a strong reputation.

Furthermore, the study also reveals that Online Customer Reviews have a positive and significant effect on Purchase Intention. Authentic and detailed customer

reviews provide valuable information for potential buyers. These reviews assist consumers in making informed decisions, increasing their trust in the product, and ultimately encouraging them to make a purchase.

Overall, these findings underscore the importance of Affiliate Marketing and Online Customer Reviews in digital marketing strategies to boost consumers' purchase intentions. Both factors play a crucial role in shaping consumer perceptions and decisions in an increasingly competitive marketplace.

Suggestion

According to the results, it is suggested that future research focus on optimizing Affiliate Marketing and Online Customer Review strategies across different market segments and comparing their effectiveness with other marketing strategies. It is also important to explore the long-term impact of Affiliate Marketing and examine the effect of negative reviews on Purchase Intention. In addition, further research can leverage technologies such as big data and artificial intelligence (AI) to analyze customer review patterns and improve marketing strategies on e-commerce platforms such as Shopee.

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