

## How Customers Ratings and Reviews Impact Prices of Electronics on Lazada

Rafi Izzudin<sup>1</sup>, Aryo Nugroho<sup>2</sup>, Muhammad Wisnu Prakoso<sup>3</sup>, Viona Chandra Kirana<sup>4</sup>, Putri Annisa Nur<sup>5</sup>

<sup>1</sup>Universitas Muhammadiyah Surakarta

Jl. A. Yani Tromol Pos 1 Pabelan, Kartasura, Sukoharjo 57102, (0271) 717417, e-mail:

[b100224079@student.ums.ac.id](mailto:b100224079@student.ums.ac.id)

<sup>2</sup>Universitas Muhammadiyah Surakarta

Jl. A. Yani Tromol Pos 1 Pabelan, Kartasura, Sukoharjo 57102, (0271) 717417, e-mail:

[b100224498@student.ums.ac.id](mailto:b100224498@student.ums.ac.id)

<sup>3</sup>Universitas Muhammadiyah Surakarta

Jl. A. Yani, Mendungan, Pabelan, Kartasura, Sukoharjo 57162, (0271) 717417, e-mail:

[b100224637@student.ums.ac.id](mailto:b100224637@student.ums.ac.id)

<sup>4</sup>Universitas Muhammadiyah Surakarta

Jl. A. Yani, Mendungan, Pabelan, Kartasura, Sukoharjo 57162, (0271) 717417, e-mail:

[b100224309@student.ums.ac.id](mailto:b100224309@student.ums.ac.id)

<sup>5</sup>Universitas Muhammadiyah Surakarta

Jl. A. Yani, Mendungan, Pabelan, Kartasura, Sukoharjo 57162, (0271) 717417, e-mail:

[b100224591@student.ums.ac.id](mailto:b100224591@student.ums.ac.id)

---

### ARTICLE INFO

#### Article history:

Received 30 Juli 2025

Received in revised form 5 Agustus 2025

Accepted 29 Agustus 2025

Available online 8 September 2025

#### ABSTRACT

This study investigates the influence of customer ratings and reviews on the prices of e-commerce products listed on Lazada, a leading e-commerce platform. Using a quantitative research design, data from 99 product listings were analyzed using linear regression to explore the relationships between price, total reviews, and average rating. Contrary to initial hypotheses, the results did not reveal a significant predictive power of customer ratings or number of reviews on product prices, highlighting the complexity of online pricing dynamics. The findings suggest that other factors such as brand reputation, product features, and marketing strategies play a more substantial role in determining prices. These insights recommend a multifaceted approach to pricing strategies in e-commerce, moving beyond customer feedback metrics to optimize profitability and customer satisfaction. Future research could incorporate additional variables and advanced modeling techniques to deepen the understanding of pricing mechanisms in digital marketplaces.

**Keywords:** Customer ratings, reviews, price perception, e-commerce, pricing strategy, online consumer behavior.

---

#### Abstrak

Penelitian ini menyelidiki pengaruh penilaian dan ulasan pelanggan terhadap harga produk e-commerce yang terdaftar di Lazada, salah satu platform e-commerce terkemuka. Dengan menggunakan desain penelitian kuantitatif, data dari 99 daftar produk dianalisis menggunakan regresi linier untuk mengeksplorasi hubungan antara harga, total ulasan, dan rata-rata penilaian. Berlawanan dengan hipotesis awal, hasil penelitian tidak

menunjukkan adanya kekuatan prediktif yang signifikan dari penilaian pelanggan atau jumlah ulasan terhadap harga produk, yang menyoroti kompleksitas dinamika penetapan harga online. Temuan ini menunjukkan bahwa faktor lain seperti reputasi merek, fitur produk, dan strategi pemasaran memiliki peran yang lebih besar dalam menentukan harga. Wawasan ini merekomendasikan pendekatan multifaset terhadap strategi penetapan harga di e-commerce, dengan melampaui metrik umpan balik pelanggan untuk mengoptimalkan profitabilitas dan kepuasan pelanggan. Penelitian selanjutnya dapat menggabungkan variabel tambahan dan teknik pemodelan yang lebih canggih untuk memperdalam pemahaman mengenai mekanisme penetapan harga di pasar digital.

**Kata Kunci:** Penilaian pelanggan, ulasan, persepsi harga, e-commerce, strategi penetapan harga, perilaku konsumen online.

## 1. INTRODUCTION

The rapid growth of e-commerce has changed the way consumers purchase electronic products. This transformation has been significantly driven by the growth of online platforms such as Lazada which offer convenience, wide selection, and the ability to compare prices and reviews instantly. Among the many factors that influence online purchasing behaviour, price plays a significant role. Price perception, defined as a consumer's subjective evaluation of the price of a product, has a significant impact on customer satisfaction and purchase intention, which in turn influences the overall customer experience and likelihood of repeat purchases. In the digital marketplace, customer reviews and ratings have become essential in shaping consumer decisions. Reviews provide detailed insights into product quality, functionality, and overall user satisfaction, while ratings offer a quick and measurable measure of consumer sentiment. A study by [1] found that perceived price, product quality, and service quality collectively have a significant impact on customer satisfaction. This is in line with the findings of [2] which highlighted the influence of e-service quality and price perception on customer loyalty through satisfaction.

Understanding the relationship between price and consumer feedback mechanisms is important for e-commerce businesses. Products with higher prices are often perceived as having higher quality, which results in higher customer satisfaction and more positive reviews. Conversely, products with lower prices may attract more purchases but result in lower satisfaction if the perceived quality does not meet customer expectations. This dynamic is important for platforms like Lazada, where price competition is intense, and consumer reviews significantly influence purchase decisions. Furthermore, a study on willingness to pay a premium for organic food by [3] provides relevant insights into how price sensitivity can moderate consumer behaviour. Their findings suggest that while health beliefs significantly influence consumer attitudes toward organic food, price sensitivity can weaken the willingness to pay a premium. This suggests that in the context of e-commerce products, price sensitivity can also moderate the relationship between price and customer reviews and ratings.

Price sensitivity varies among consumers based on factors such as income level, availability of alternatives, and personal perceptions of value. Higher-income consumers may be less price sensitive, focusing more on quality and brand reputation, while lower-income consumers prioritize affordability, often relying heavily on reviews and ratings to judge value. Consumer trust in online reviews plays a significant role in shaping purchasing decisions. Trust is often built through perceptions of the authenticity of reviews, the credibility of reviewers, and the consistency of feedback. Research has shown that consumers are more likely to trust reviews that are detailed, come from verified buyers, and align with their personal experiences.

The impact of online reviews extends beyond individual purchasing decisions, influencing overall brand perception and customer loyalty. Positive reviews enhance brand reputation, encourage repeat purchases, and foster long-term relationships with consumers. Conversely, negative reviews can deter potential buyers and damage brand image.

Additionally, the number of reviews can significantly influence consumer behaviour. A higher number of reviews often indicates the popularity and reliability of a product, providing additional reassurance to potential buyers. However, the quality of these reviews is equally important, as detailed and well-articulated feedback can better inform consumer decisions. The relationship between price and reviews is further complicated by promotional strategies. Discounts and special offers can temporarily shift consumer focus from reviews to price, thereby changing the perceived value of the product. E-commerce platforms need to balance promotional activities with maintaining the integrity of customer feedback.

In addition to individual reviews, aggregate ratings play a critical role in consumer decision-making. Aggregate ratings provide a snapshot of overall customer sentiment, allowing consumers to quickly assess the quality of a product. This makes it imperative for e-commerce businesses to ensure the accuracy and

reliability of their rating systems. E-commerce platforms like Lazada benefit from leveraging customer feedback not only to influence purchasing decisions but also to improve their products and services. Analyzing reviews and ratings can provide valuable insights into consumer preferences, helping businesses refine their offerings and improve customer satisfaction.

Given these dynamics, this study aims to investigate the relationship between the price of electronic products and customer ratings and reviews on the e-commerce platform Lazada. The researchers theorize that higher prices tend to indicate higher quality, leading to greater customer satisfaction, as evidenced by reviews and ratings on Lazada. By analyzing this relationship, we can gain a deeper understanding of how price influences consumer perceptions and behaviours. These insights can guide e-commerce businesses in optimizing their pricing strategies to increase customer satisfaction and engagement, ultimately driving sales and growth. The researchers will investigate how the price of electronic products sold on Lazada affects average customer ratings and the total number of reviews. Previous research has shown that price perception plays a significant role in shaping consumer satisfaction and loyalty. Therefore, investigating this relationship in the context of Lazada can provide valuable insights for e-commerce businesses looking to refine their pricing strategies and improve customer satisfaction. Based on this review, the following research questions are posed:

1. How do the average customer rating and total number of reviews influence the price of electronic products on Lazada?
2. To what extent do the average customer rating and total number of reviews collectively impact the price of electronic products on Lazada?

## 2. LITERATURE REVIEW

### 2.1. Price and Customer Perception

Price perception is an important factor in shaping consumer behaviour, especially in the context of e-commerce where consumers can easily compare prices across platforms. Price perception is influenced by a variety of factors, including consumer prior experience, perceived product quality, and the pricing strategy used by the business. [4] emphasized that price is a unique element of the marketing mix because it is the only element that generates revenue, while all other elements generate costs. This highlights the importance of understanding how consumers perceive price and its impact on purchasing decisions. Price perception can significantly influence customer satisfaction and loyalty. [1] found that price perception, along with product quality and service quality, collectively have a significant influence on customer satisfaction. Their study showed that when consumers perceive the price of a product to be fair and reflective of its quality, they are more likely to be satisfied with their purchase. Similarly, [5] defined customer satisfaction as a condition in which customers' needs, wants, and expectations are met through the product or service they receive. This satisfaction can increase customer loyalty and a higher likelihood of repeat purchases. [2] support these findings by highlighting that price perception, e-service quality, and sales promotions can directly influence customer satisfaction and loyalty without any intervention. This suggests that businesses need to carefully consider their pricing strategies to ensure that they are aligned with customer expectations and perceptions.

In addition, theoretical and empirical evidence suggests that the price of a product reflects not only the cost of production but also the quality, reputation, and easily observable characteristics of the product [6]. According to [7], price is the exchange value of goods and services expressed in money, or the equilibrium price agreed upon by sellers and buyers. Consumers evaluate whether the benefits they receive from a product are worth the price. This evaluation can be influenced by factors such as brand reputation, product features, and the availability of alternatives. Perceptions of functional value also play an important role in purchasing decisions. Functional value refers to the practical benefits and utilities a product offers to consumers [8]. Therefore, businesses must ensure that their pricing strategies effectively communicate the value proposition to their target customers.

The relationship between price perception and consumer satisfaction is also influenced by the concept of reference price. Reference price refers to the price that consumers expect to pay for a product based on their previous experiences and the prices of similar products in the market. When the actual price of a product is close to or lower than the reference price, consumers are more likely to perceive it as a good deal, leading to higher satisfaction. Conversely, if the price is much higher than the reference price, consumers may perceive it as too expensive, resulting in lower satisfaction. Therefore, businesses need to be aware of the reference prices that their customers use when evaluating their products and adjust their pricing strategies accordingly.

[9] emphasize that online customer reviews and ratings play a significant role in shaping consumer perceptions of price fairness. Consumers often rely on these reviews to assess whether a product's price is

justified by its quality and features. This reliance on peer feedback underscores the importance of maintaining a transparent and accurate pricing strategy in e-commerce. [10] highlights that online reviews contribute to consumer confidence in pricing, with detailed reviews often providing insight into a product's value proposition. This helps consumers make more informed decisions, especially when price is an important factor in their purchasing considerations. In addition, perceptions of price fairness can be influenced by the volume and sentiment of customer reviews. A high number of positive reviews can reinforce the perception that a product is worth its price, while a high number of negative reviews can lead to perceptions of overpricing or poor value.

The influence of online reviews on price perception also extends to the competitive landscape. Consumers often compare prices and reviews across platforms, looking for the best value. This comparison shopping behaviour requires businesses to ensure their pricing strategies are competitive but still reflect perceived value as indicated by customer feedback. Another factor that influences price perception is the timing of price changes and promotions. Research shows that sudden price increases can cause negative consumer reactions unless justified by improvements in product quality or features. Conversely, promotions and discounts can increase perceived value but can also set a new reference price that consumers expect in the future.

In addition to direct price comparisons, consumers also consider the overall shopping experience, including factors such as shipping costs, return policies, and customer service. These elements contribute to the perceived total cost of ownership and can impact the perception of a product's price fairness. Businesses can leverage customer feedback to refine their pricing strategies. By analyzing reviews and ratings, businesses can identify common themes related to price satisfaction or dissatisfaction and adjust their pricing models to better meet consumer expectations.

Based on the above, the following hypotheses can be formulated:

**H1:** Higher average customer ratings will lead to higher prices for electronic products.

## 2.2. Customer Reviews and Purchase Behaviour

Customer reviews and ratings have become an essential component of the online shopping experience, significantly influencing consumer purchasing decisions. Reviews provide detailed insights into product quality, functionality, and overall user satisfaction, while ratings offer a quick and quantifiable measure of consumer sentiment. This information is invaluable to other consumers who rely on reviews and ratings to make informed purchasing decisions. [2] emphasize that e-service quality, price perception, and sales promotions can significantly impact customer satisfaction, which in turn impacts customer loyalty and the likelihood of positive reviews.

The impact of customer reviews on purchasing behaviour is significant. Positive reviews can increase the credibility and appeal of a product, leading to increased sales. Conversely, negative reviews can deter potential buyers and reduce sales. [1] found that product quality and service quality, along with price perception, significantly affect customer satisfaction. Satisfied customers are more likely to leave positive reviews, which can then attract new customers and strengthen the product's reputation. This positive feedback loop can create a strong brand image and drive sales growth. The number of reviews can also influence consumer decisions. The number of reviews can indicate that a product is popular and widely purchased, which can reassure potential buyers about its quality and reliability. According to research by [3], price sensitivity can moderate consumer behaviour, indicating that the number and sentiment of reviews can influence price-sensitive consumers' willingness to pay for a product. This highlights the importance of encouraging satisfied customers to leave reviews, as the number of positive reviews can mitigate the impact of price sensitivity.

Review credibility is another important factor. Consumers tend to trust reviews that are detailed, specific, and appear genuine. Reviews that include personal experiences, photos, and comparisons to other products are often considered more credible and helpful. Businesses can encourage customers to leave detailed reviews by offering incentives such as discounts on their next purchase or entry into a prize draw. This not only increases the number of reviews but also increases their credibility and usefulness to potential buyers.

In addition to influencing purchasing decisions, customer reviews can provide valuable feedback to businesses. Reviews can highlight common problems or areas for improvement, allowing businesses to address these issues and improve their products and services. This feedback can lead to continuous improvement and higher customer satisfaction. Furthermore, businesses that respond to reviews, both

positive and negative, demonstrate that they value customer feedback and are committed to improving their offerings. This can increase customer trust and loyalty.

[9] found that online reviews and ratings are crucial for building a seller's reputation in the e-commerce marketplace, significantly influencing buyer intention. The authenticity and reliability of these reviews directly impact consumer trust and purchase decisions. [10] discussed how detailed insights provided by online reviews help bridge the information gap for consumers, making them feel more confident in their purchase decisions. This highlights the important role of reviews in reducing perceived risk while shopping online. Furthermore, reviews not only influence the initial purchase but also play a significant role in post-purchase satisfaction and loyalty. Well-reviewed products tend to meet or exceed customer expectations, leading to positive word-of-mouth and repeat purchases.

The influence of reviews extends to product development as well. Businesses can analyze review data to identify common themes, recurring issues, and areas for improvement. This proactive approach to leveraging customer feedback can lead to better product designs and increased customer satisfaction. The social proof provided by customer reviews is a powerful motivator for undecided buyers. Seeing that others have had positive experiences with a product can encourage new customers to make a purchase, driving sales and increasing conversion rates.

Customer engagement through review responses is another strategy that businesses can use to improve their reputation. By responding to both positive and negative feedback, companies show that they are responsive and value customer opinions, which can increase trust and loyalty. The role of negative reviews is also significant. While they can deter potential buyers, they also provide businesses with an opportunity to demonstrate their commitment to customer service by resolving issues publicly. This transparency can turn a negative situation into a positive, improving overall brand perception.

Furthermore, businesses can use reviews to refine their marketing strategies. By understanding what customers value most about their products, companies can tailor their messaging to highlight these features, thereby attracting a larger target audience. The cumulative effect of reviews on search engine optimization (SEO) should not be overlooked. Positive reviews and high ratings can increase a product's visibility online, making it more likely that potential customers will find and consider it during their shopping journey.

Based on the above, the following hypotheses can be formulated:

**H2:** A greater total number of customer reviews will lead to higher prices for electronic products.

### 2.3. Price Sensitivity and Consumer Behaviour

Price sensitivity refers to the degree to which the price of a product affects consumer purchasing behaviour. Consumers with high price sensitivity are more likely to be affected by price changes and may adjust their purchasing decisions based on price variations. Understanding price sensitivity is important for businesses, as it can inform pricing strategies and promotional efforts. [3] analyzed the willingness to pay a premium for organic food and found that price sensitivity can undermine the willingness to pay a premium despite strong health beliefs. This suggests that in the context of electronic products, price sensitivity may also moderate the relationship between price and customer reviews and ratings.

Price sensitivity can vary based on several factors, including income level, availability of substitutes, and perceived need for the product. For example, low-income consumers are typically more price-sensitive, as they have limited disposable income and must prioritize their spending. [11] highlighted that income plays a significant role in influencing willingness to pay for organic food products, especially when considering premium products compared to non-organic foods. This finding is relevant to electronics, as price sensitivity may be higher among low-income consumers who may be looking for more affordable alternatives. The perceived value of a product also influences price sensitivity. Consumers tend to be more price sensitive if they perceive the product to be priced higher than its value. Conversely, if consumers perceive the product to offer good value for its price, they may be less sensitive to price changes. [1] found that perceived price, product quality, and service quality collectively influence customer satisfaction. When consumers perceive that they are receiving good value for their money, they tend to be satisfied and less price-sensitive.

Promotional strategies can also affect price sensitivity. Sales promotions, discounts, and special offers can temporarily reduce price sensitivity by making products more affordable and attractive. [2] noted that sales promotions, along with e-service quality and price perception, can directly affect customer satisfaction and

loyalty. By using promotional strategies effectively, businesses can attract price-sensitive consumers and encourage purchases. The concept of price elasticity of demand is closely related to price sensitivity. Price elasticity measures how much the quantity demanded of a product changes in response to a change in price. Products with high price elasticity are highly sensitive to price changes, while products with low price elasticity are less affected by price changes. Understanding a product's price elasticity can help businesses set prices that maximize revenue while taking into account consumer price sensitivity.

[9] emphasized that consumer behaviour in responding to price changes is influenced by the perception of the fairness of the pricing strategy. Consumers who perceive prices as fair are less likely to show high price sensitivity, even when prices fluctuate. [10] highlighted that digital markets amplify the impact of price sensitivity, as consumers have instant access to price comparisons across multiple platforms. This transparency forces businesses to adopt competitive pricing strategies to retain price-sensitive customers. Furthermore, customer reviews can mitigate the impact of price sensitivity by providing reassurance about the quality and value of the product. Positive reviews can justify higher prices by emphasizing the benefits and satisfaction derived from the product, thereby reducing perceived price sensitivity.

The timing and frequency of price promotions also play an important role in managing price sensitivity. Frequent promotions can condition consumers to expect discounts, increasing their price sensitivity and reducing their willingness to pay full price. Conversely, strategic and infrequent promotions can create a sense of urgency and encourage immediate purchase. In addition to income level, psychological factors such as perceived need and brand loyalty can influence price sensitivity. Consumers who consider a product essential or who have a strong attachment to a brand are often less sensitive to price changes. Businesses can use segmentation strategies to target consumers with varying levels of price sensitivity. By tailoring pricing and promotion strategies to different consumer segments, companies can optimize their pricing models to maximize revenue and customer satisfaction.

Another important consideration is the role of the product life cycle in price sensitivity. Newly launched products may experience lower price sensitivity due to their newness and lack of direct competition, while mature products in saturated markets often experience higher price sensitivity because consumers have more alternatives. Dynamic pricing strategies, which adjust prices based on market demand and consumer behaviour in real-time, can help businesses effectively manage price sensitivity. By analyzing historical data and current trends, businesses can optimize prices to align with consumer expectations and market conditions. Finally, integrating customer feedback into pricing strategies can improve pricing decisions. By understanding how consumers perceive value and what they are willing to pay, businesses can develop pricing strategies that reflect consumer preferences, reducing the risk of alienating price-sensitive customers.

Based on the description above, the following hypothesis can be formulated:

**H3:** The average customer rating and the total number of customer reviews collectively influence the price of electronic products.

### 3. METHODOLOGY

This study employs a quantitative research design to analyze the relationship between price, total reviews, and average customer ratings of electronic products listed on Lazada. The dataset comprises 99 electronic product listings, with no missing data across the variables [12]. The data analysis was performed using JASP software, employing linear regression analysis to examine the collective influence of total reviews and average rating on price. Descriptive statistics were calculated to summarize central tendencies and variability among the variables. Unidimensional reliability analysis, using coefficient  $\omega$ , assessed the internal consistency of the variables. According to [13] linear regression is appropriate for estimating the relationship between independent variables (Total Reviews and Average Rating) and a dependent variable (Price), allowing the prediction of price fluctuations based on changes in the predictors.

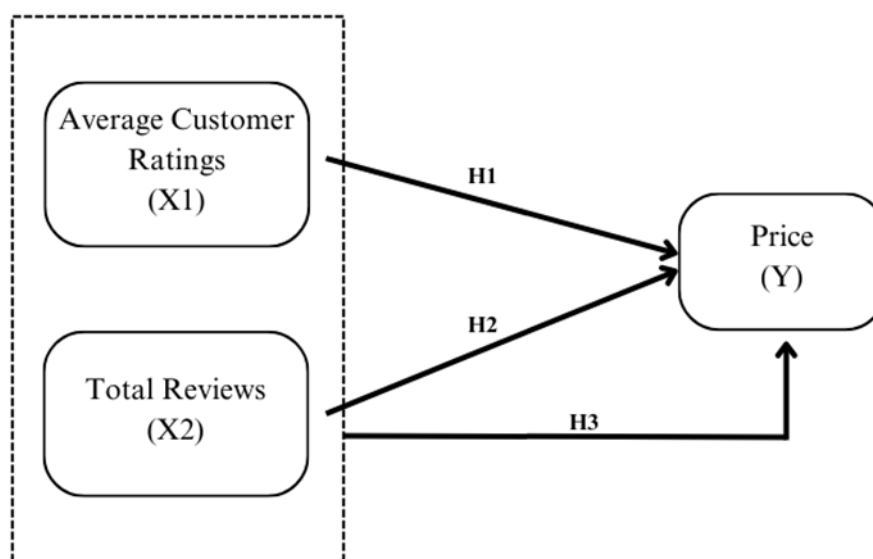


Figure 1. Research Model

## 4. RESULTS AND DISCUSSION

### 4.1. Descriptive Statistics

The descriptive statistics analysis indicates that the average price of electronic products listed on Lazada was 5.751 (SD = 0.738). The average customer rating was recorded at 3.869 (SD = 0.996), while the total reviews had a mean of 0.566 (SD = 0.468). The low standard deviation in total reviews suggests limited variability in review counts, whereas both price and average rating showed moderate variation, indicating diversity across the product listings.

Table 1. Descriptive Statistics.

	Price	Average Rating	Total Reviews
Valid	99	99	99
Missing	0	0	0
Mean	5.751	3.869	0.566
Std. Deviation	0.738	0.996	0.468
Minimum	4.517	1.000	0.000
Maximum	7.079	5.000	1.959

### 4.2. Linear Regression Analysis

A linear regression analysis assessed the relationship between price, total reviews, and average rating. The model's  $R^2$  value was 0.012, suggesting that the predictors could explain only 1.2% of the variance in price. The model did not achieve statistical significance:  $F(2,96) = 0.585$ ,  $p = 0.559$ .

Table 2. Model Summary – Price.

Model	R	$R^2$	Adjusted $R^2$	RMSE
$M_0$	0.000	0.000	0.000	0.738
$M_1$	0.110	0.012	-0.009	0.742

Note.  $M_1$  includes Total Reviews, Average Rating

To further examine the significance of the predictors, an ANOVA test was performed, which confirmed the model's non-significance ( $p = 0.559$ ).

Table 3. ANOVA.

Model		Sum of Squares	df	Mean Square	F	p
M <sub>1</sub>	Regression	0.644	2	0.322	0.585	0.559
	Residual	52.797	96	0.550		
	Total	53.441	98			

*Note.* M<sub>1</sub> includes Total Reviews, Average Rating

The regression coefficients indicate that average rating had a small positive influence on price ( $B = 0.064$ ,  $p = 0.396$ ), while total reviews had a slight negative association with price ( $B = -0.093$ ,  $p = 0.565$ ). Neither variable showed significant predictive value.

Table 4. Coefficients.

Model		Unstandardized	Standard Error	Standardized	t	p	Collinearity Statistics	
							Tolerance	VIF
M <sub>0</sub>	(Intercept)	5.751	0.074		77.493	<.001		
M <sub>1</sub>	(Intercept)	5.555	0.323		17.172	<.001		
	Total Reviews	-0.093	0.161	-0.059	-0.577	0.565	0.990	1.010
	Average Rating	0.064	0.076	0.087	0.853	0.396	0.990	1.010

#### 4.3. Unidimensional Reliability Analysis

A reliability analysis was performed using the coefficient  $\omega$ , which yielded a value of 0.105 (95% CI: -0.275 to 0.484), indicating low internal consistency across the variables. Notably, the total reviews variable negatively correlated with the scale, suggesting that it may not align closely with the other variables being measured, potentially contributing to the weak model fit observed in the regression analysis.

Table 5. Frequentist Scale Reliability Statistics.

Coefficient	Estimate	Std. Error	95% CI	
			Lower	Upper
Coefficient $\omega$	0.105	0.193	-0.275	0.484

*Note.* The following item correlated negatively with the scale: Total Reviews.

#### 4.4. Discussion: Interpretations and Implications

The results indicate that average rating and total reviews, individually or collectively, do not significantly influence the price of electronic products on Lazada. These findings fail to support the proposed hypotheses:

Table 6. Hypothesis Test Result.

	Description	Decision
H1	Higher average customer ratings will lead to higher prices for electronic products.	Rejected
H2	A greater total number of customer reviews will lead to higher prices for electronic products.	Rejected
H3	The average customer rating and the total number of customer reviews collectively influence the price of electronic products.	Rejected

The negative correlation of total reviews with the scale and its non-significant impact in the regression model suggests that the review count may be less influential on pricing dynamics compared to other unmeasured factors, such as product features, brand recognition, or marketing strategies. Although the findings did not reach statistical significance, meaningful interpretations and implications can still be drawn from the observed data trends.

Interpretation of results shows that neither average customer rating nor total reviews significantly predict product price on Lazada, as reflected by the low  $R^2$  value of 0.012. This suggests that these two variables explain only a small portion of the price variation, indicating the presence of other more influential price determinants that are not captured in the model, such as brand reputation, product features, and promotional strategies. The insignificant coefficients for both predictors (average rating:  $B = 0.064$ ,  $p = 0.396$ ; total reviews:  $B = -0.093$ ,  $p = 0.565$ ) further emphasize the limited direct impact of these metrics on price. In particular, the negative correlation of total reviews with the brightness measure highlights potential misalignment, which may reflect the influence of aggressive discounting strategies often used on highly reviewed items to drive sales volume.

Implications for e-commerce platforms derived from these findings suggest that E-commerce platforms should adopt a diversified pricing approach, considering not only review metrics but also variables such as product specifications, seller credibility, and market position to optimize pricing accuracy. The lack of a significant relationship between review metrics and pricing suggests that consumers may place more importance on other factors, such as brand strength and product uniqueness, than review volume and rating. Furthermore, the negative correlation observed in the analysis is important to ensure data accuracy and consistency. E-commerce platforms should refine the way review metrics are considered in their pricing strategies to avoid misrepresenting product value.

## 5. CONCLUSION

The findings of this study provide a comprehensive analysis of the relationship between customer ratings, total reviews, and product prices on Lazada. The results reveal that neither average customer ratings nor total reviews significantly affect price variation. The low  $R^2$  value of 0.012 indicates that the independent variables only explain a small portion of the variance in product prices. Furthermore, both predictors failed to reach statistical significance (average ratings:  $B = 0.064$ ,  $p = 0.396$ ; total reviews:  $B = -0.093$ ,  $p = 0.565$ ). These results suggest that pricing on Lazada is more complex and influenced by factors beyond customer-generated feedback, such as brand reputation, seller credibility, and promotional strategies. The rejection of the hypothesis underscores the limited explanatory power of review metrics in online price dynamics and highlights the need to consider additional variables in pricing models.

These findings suggest that while customer ratings and total reviews are commonly used as indicators of product quality, they may not be effective predictors of pricing in a competitive e-commerce environment. E-commerce platforms should avoid over-reliance on these metrics when setting prices. Instead, they should adopt a more comprehensive pricing strategy that incorporates factors such as product features, brand positioning, and competitive benchmarking. Furthermore, the negative correlation observed in the unidimensional reliability analysis suggests the importance of data consistency and integrity when using review metrics for pricing decisions. Inconsistencies in how review data is collected or interpreted may misrepresent the relationship between feedback metrics and pricing strategies.

Future research could benefit from including a broader range of variables. Future research should consider a broader set of variables, including brand equity, product specifications, seller reputation, and promotional activities to better capture pricing dynamics. Expanding the dataset to include a larger and more diverse sample across product categories could also provide deeper insights into price formation on e-commerce platforms. Additionally, methodological refinements such as the use of structural equation modelling or path analysis could offer a clearer understanding of complex variable relationships. Investigating platform-specific factors, such as algorithmic price adjustments and seasonal effects, could further refine the understanding of e-commerce pricing strategies.

Finally, future research should explore the psychological impact of customer reviews and how they influence consumers' perceptions of value, which could offer a more holistic view of pricing behaviour in digital marketplaces. While the findings do not support a significant relationship between customer feedback metrics and pricing on Lazada, they do highlight the complexity of online pricing strategies. E-commerce platforms should adopt comprehensive pricing models that integrate multiple factors beyond consumer feedback to effectively drive profitability and customer satisfaction.

**REFERENCES**

- [1] I. Elyana, R. Martiwi, F. Nelfianti, E. Karlina and N. Suardita, "The Influence of Price Perceptions, Product Quality and Service Quality," *Quantitative Economics and Management Studies (QEMS)*, vol. 4, no. 6, pp. 1064 - 1072, 2023.
- [2] N. Andriani, N. and S. Aisyah, "The Influence of E-Service Quality, Price Perception, and Sales Promotion," *Jurnal Ekonomi Syariah Indonesia (JESI)*, vol. 4, no. 1, pp. 59-75, 2024.
- [3] A. Andika and B. Setyanta, "Health vs. Price Sensitivity: Analyzing Willingness to Pay a Premium for Organic Food among Low- and Middle-Income Consumers in Indonesia," *SAR Journal*, vol. 7, no. 3, pp. 257-267, 2024.
- [4] P. Kotler and L. K. Keller, *Marketing Management*, 15, Illustrated ed., Pearson Education,inc., 2016.
- [5] Christine and M. Fuad, "Pengaruh Kualitas Produk dan Kualitas Layanan terhadap Kepuasan Pelanggan pada Restoran HaiDiLao Hotpot di MOI Kelapa Gading," *INSTITUT BISNIS dan INFORMATIKA KWIK KIAN GIE*, 2022.
- [6] M. Goswami, Y. Daultani and M. Ramkumar, "Leveraging product quality and price for attainment of the manufacturer's economic objectives," *International Journal of Quality & Reliability Management*, vol. 41, no. 2, 2023.
- [7] L. Sa'adah, "Kualitas Layanan, Harga, Citra Merk serta Pengaruhnya terhadap Kepuasan Konsumen," *LPPM Universitas KH. A. Wahab Hasbullah*, 2020, p. 69.
- [8] S. Amin and M. T. Tarun, "Effect of consumption values on customers' green purchase intention: a mediating role of green trust," *Social Responsibility Journal*, vol. 17, no. 8, pp. 1320-1336, 2021.
- [9] M. A. Rahman, W. R. Amelia, F. A. Nasution and Zulham, "The Influence of Online Customer Review and Online Customer Rating on Purchase Decisions at Tokopedia (Case Study of Tokopedia Users in Medan District,Johor)," *Dharmawangsa: International Journals of The Social Science, Education and Humanities*, vol. 31, pp. 23-33, 2022.
- [10] M. H. Salman and D. A. Ishrat, "Impact Of Online Reviews And Ratings On Consumer Purchase Decisions In E-Commerce.," *International Journal of Creative Research Thoughts* , vol. 12, no. 4, 2024.
- [11] R. R. Gundala and A. Singh, "What motivates consumers to buy organic foods? Results of an empirical study in the United States," *PLoS ONE*, vol. 16, no. 9, 2021.
- [12] G. Nibras, "Lazada Indonesian Reviews," 2019. [Online]. Available: [https://www.kaggle.com/datasets/grikomsn/lazada-indonesian-reviews?utm\\_medium=social&utm\\_campaign=kaggle-dataset-share&utm\\_source=twitter](https://www.kaggle.com/datasets/grikomsn/lazada-indonesian-reviews?utm_medium=social&utm_campaign=kaggle-dataset-share&utm_source=twitter). [Accessed 29 12 2024].
- [13] Sugiyono, *Metode Penelitian Kuantitatif, Kualitatif dan R & D*, 16 ed., Bandung: CV Alfabeta, 2018.