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The Influence of Online Customer Reviews and Online Customer Ratings on Transaction Decisions on the Grab Application in Surabaya

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A B S T R A C T

This study aims to examine the influence of online customer review and online customer rating variables on the decision to make transactions on the Grab application in Surabaya. This study uses a quantitative approach with a survey methodoinvolving 100 respondents selected through purposive sampling technique. The research instrument is a Likert scale questionnaire, which is analyzed using Partial Least Square (PLS) with SmartPLS software. The results show that both online customer reviews and online customer ratings positively and significantly influence the decision to make transactions on the Grab application. These findings highlight the importance of credible customer reviews and informative ratings in shaping consumer decisions.

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INTRODUCTION

The development of information and communication technology (ICT) has brought significant changes to everyday life, including consumer behavior, which is now increasingly dependent on digital platforms to meet their needs. One of the leading platforms in Indonesia is Grab, which provides online transportation services through a mobile application. Despite its rapid growth, Grab faces challenges in maintaining user loyalty, as evidenced by a significant decline in the Top Brand Index in the Online Transportation Services category. In 2021, Grab recorded an index of 39.70, but this figure steadily declined to 31.60 in 2024. This decrease is influenced by various factors, including a large number of negative reviews that reflect user dissatisfaction with service quality, ultimately affecting consumers' decisions to make transactions.

Consumers' decision to engage in transactions is influenced by various factors, including online customer reviews and online customer ratings. Online reviews serve as an important source of information that helps potential users evaluate the quality of an application based on the experiences of previous users. Additionally, customer ratings offer a quantitative representation that affects perceptions of the platform's quality and credibility. Gap analysis indicates that Grab should be able to retain its customers through positive reviews and high ratings; however, in reality, Grab has experienced a decline in users and an increase in negative reviews, which has impacted its competitiveness. The novelty of this research lies in its focus on Grab in Surabaya, a topic that has not been widely explored in previous studies such as those by Mufid, Nida, and Erlin (2022), as well as Sianipar & Yoestini (2021), which primarily examined other platforms. Therefore, this study aims to analyze the influence of online customer reviews and online customer ratings on the decision to transact using the Grab application in Surabaya, and to provide strategic recommendations to enhance the company's competitiveness.

LITERATURE REVIEW

Online Customer Reviews and Their Influence on Transaction Decisions

Online customer reviews are consumer opinions shared digitally after using a product or service. These reviews play a significant role in shaping potential users' perceptions of an application's quality, as stated by Mufid, Nida, and Erlin (2022). According to Schepers (2015), as cited in Agutiningsih and Hartaiti (2023), there are several indicators of online customer reviews, namely: perceived usefulness, timeliness, and valence.

H1: Online Customer Review is presumed to have a positive effect on the decision to make a transaction using the Grab application in Surabaya.

Online Customer Ratings and Their Influence on Transaction Decisions

Ratings refer to how consumers assess a product or service through symbolic evaluations, typically in the form of stars or numerical scores given by other users. According to Noviani and Siswanto (2022), online customer ratings are buyer opinions expressed using star-based symbols after making a purchase and receiving service from the seller. The higher the rating given, the greater the tendency for consumers to use the application. The indicators used to measure the online customer rating variable include: information quality, trust, and customer satisfaction.

H2: Online Customer Rating is presumed to have a positive effect on the decision to make a transaction using the Grab application in Surabaya.

Transaction Decision

A transaction decision refers to the consumer's action in selecting and using an application to meet specific needs. According to Jefryansyah and Muhajirin (2020), a purchase decision is a consumer’s act of buying a product or service, which begins with evaluating several alternatives available. The indicators for the transaction decision variable include: confidence in making a transaction after obtaining information about the platform/application, making transactions on the most preferred platform/application, alignment with needs and desires, and recommendations from others.

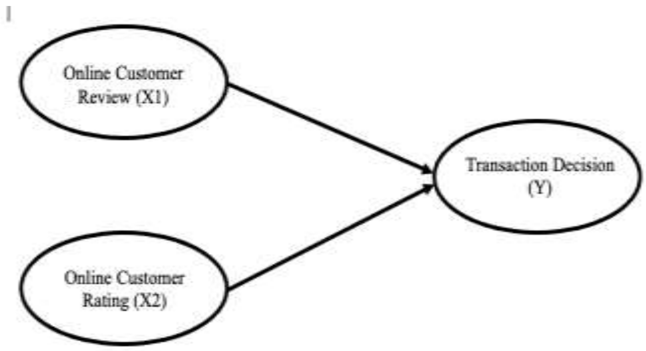

Figure 1. Conceptual Framework

METHODOLOGY

This study is a quantitative research aimed at analyzing the influence of online customer reviews and online customer ratings on the decision to transact using the Grab application in Surabaya. The approach employed is a survey method, using online questionnaires distributed to respondents residing in Surabaya who have previously made transactions via the Grab application and have seen Grab’s reviews and ratings on the internet. The sampling technique used is purposive sampling, with a total of 100 respondents. The data collected is primary data, analyzed using the Partial Least Squares (PLS) method with the help of SmartPLS software. This method was chosen because it is capable of simultaneously testing the relationships between variables in the research model and is suitable for relatively small sample sizes and non-normally distributed data.

RESEARCH RESULT

Respondent Overview

Based on the table of respondent gender, it is known that out of 100 Grab application users, 68 respondents (68%) are female, while 32 respondents (32%) are male. This indicates that the majority of respondents in this study are female. This finding suggests that women tend to be more active users of transportation service applications such as Grab. One possible reason is that women are generally more meticulous and selective, and tend to consider customer reviews and ratings more carefully before making a transaction.

Table 1. Respondent's Gender

Descriptive Data	Category	Respondent	Percentage
Gender	Male	32	32%
	Female	68	68%
Total		**100**	**100%**

Source: Questionnaire Output, processed (2025)

Based on the table of respondents' age, it is known that out of 100 respondents, 12 respondents (12%) are under the age of 17, 53 respondents (53%) are aged between 17–25 years, 27 respondents (27%) are aged between 26–30 years, and 8 respondents (8%) are over the age of 31. This indicates that the majority of respondents in this study are in the 17–25 age group. This suggests that individuals in this age range have a high interest in making transactions. One contributing factor is that this generation has grown up in the digital era, making them quicker to access, understand, and utilize online transportation applications such as Grab to meet their needs in a practical and efficient manner.

Table 2. Respondent's Age

Descriptive Data	Category	Respondent	Percentage
Age	<17 years	12	12%
	17 - 25 years	53	53%
	26 – 30 years	27	27%
	>31 years	8	8%
Total		100	100%

Source: Questionnaire Output, processed (2025)

Outer Model Analysis

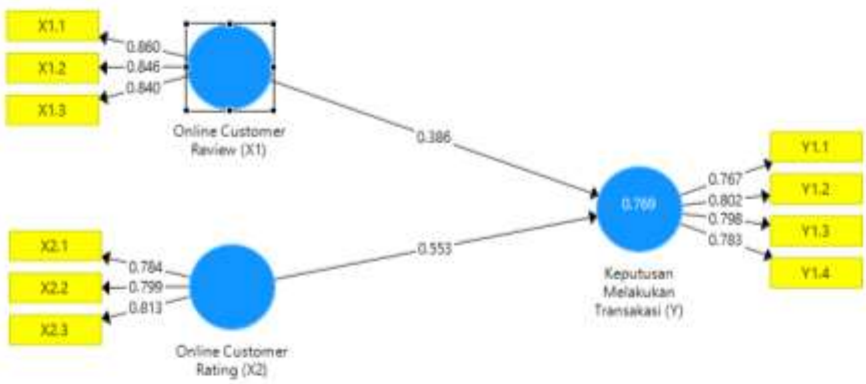

Figure 2. Outer Model

Source: SmartPLS output, processed data (2025)

Outer Loading

Based on the results in the outer loading table, all reflective indicators on the variables Online Customer Review (OCRe, X1), Online Customer Rating (OCRa, X2), and Transaction Decision (Y) have factor loading values above 0.50

and T-statistics above 1.64. Therefore, it can be concluded that all indicators meet the criteria for convergent validity and have good validity.

Table 3. Outer Loading Result

Indicator		Online Customer Review (X1)	Online Customer Rating (X2)	Transaction Decision (Y)
Online Customer Review (X1)	X1.1	0,860		
	X1.2	0,846		
	X1.3	0,840		
Persepsi *Online Customer Rating* (X2)	X2.1		0,784	
	X2.2		0,799	
	X2.3		0,813	
Transaction Decision (Y)	Y.1			0,767
	Y.2			0,802
	Y.3			0,798
	Y.4			0,783

Source: SmartPLS Output, processed data (2025)

Cross Loading

Based on the cross-loading analysis results, all marked factor loading values for each indicator on the variables Online Customer Review (X1), Online Customer Rating (X2), and Transaction Decision (Y)—show loading values above 0.6 and are higher than their loading values on other variables. Therefore, it can be concluded that all indicators in this study are valid.

Table 4. Cross Loading Result

Indicator	Online Customer Review (X1)	Online Customer Rating (X2)	Transaction Decision (Y)
X1.1	0,860	0,656	0,732
X1.2	0,846	0,640	0,652
X1.3	0,840	0,579	0,630
X2.1	0,531	0,784	0,678
X2.2	0,630	0,799	0,638
X2.3	0,609	0,813	0,689
Y.1	0,627	0,693	0,767
Y.2	0,630	0,611	0,802
Y.3	0,568	0,677	0,798
Y.4	0,673	0,655	0,783

Source: SmartPLS Output, processed data (2025)

Average Variance Extracted (AVE)

The results of the Average Variance Extracted (AVE) test, as shown in Table 5, indicate that the AVE value for the Online Customer Review variable (X1) is 0.720, for the Online Customer Rating variable (X2) is 0.638, and for the Transaction Decision variable (Y) is 0.621. Since all AVE values exceed 0.50, it can be concluded that all three variables in this study demonstrate good convergent validity.

Table 5. AVE

	Average Variance Extracted (AVE)
Online Customer Review (X1)	0,720
Online Customer Rating (X2)	0,638
Transaction Decision (Y)	0,621

Source: SmartPLS Output, processed data (2025)

Composite Reliability

The results of the Composite Reliability test, as presented in Table 6, show that the Online Customer Review variable (X1) has a reliability value of 0.885, the Online Customer Rating variable (X2) is 0.841, and the Transaction Decision variable (Y) is 0.867. Since all three variables have Composite Reliability values above 0.70, it can be concluded that all variables in this study are reliable.

Table 6. Reliability Test

	Composite Reliability
Online Customer Review (X1)	0,885
Online Customer Rating (X2)	0,841
Transaction Decision (Y)	0,867

Source: SmartPLS Output, processed data (2025)

Latent Variable Correlations

Based on the table of correlations among latent variables, the average correlation values indicate a moderately strong and varied level of correlation between variables. The highest correlation is found between Online Customer Rating (OCRa, X2) and Transaction Decision (Y). This suggests that among all variables in the research model, the relationship between Online Customer Rating and Transaction Decision is the strongest.

Table 7. Correlation Test

	***Online Customer Review* (X1)**	***Online Customer Rating* (X2)**	**Transaction Decision (Y)**
***Online Customer Review* (X1)**	1,000	0,738	0,794
***Online Customer Rating* (X2)**	0,738	1,000	0,838
Transaction Decision (Y)	0,794	0,838	1,000

Source: SmartPLS Output, processed data (2025)

Inner Model

R-Square (R^2) is used to measure how well the independent variables explain the variance in the dependent variable. An R^2 value of ≥ 0.5 indicates a good model, and the closer the value is to 1, the stronger the model is considered to be. An R^2 value of 0.769 indicates that the model is able to explain 76.9% of the variance in the Transaction Decision variable, which is influenced by the independent variables: Online Customer Review and Online Customer Rating. The remaining 23.1% is explained by other variables not included in this study.

Table 8. R-Square

	R-Square
Transaction Decision (Y)	0.769

Source: SmartPLS Output, processed data (2025)

Hypothesis Testing

The hypothesis testing process is conducted by examining the results of the inner model, which includes the R-square value, path coefficients, and T-statistics. To determine whether a hypothesis is accepted or rejected, the following criteria are used: a T-statistic value greater than 1.64 and a significance level (p-value) less than 0.05. In addition, the beta coefficient must be positive and statistically significant in order to confirm a meaningful influence between variables.

Table 9. Hypothesis Test

	Original Sample (O)	T Statistics	P Values	Description
(X1) -> (Y)	0,386	4,692	0,000	Accepted
(X2) -> (Y)	0,553	6,990	0,000	Accepted

Source: SmartPLS Output, processed data (2025)

Table 9 Summary of Hypothesis Testing

- **Hypothesis 1**: *Online Customer Review has a positive influence on the decision to transact on the Grab application*— **Accepted**, with a path coefficient of **0.386** and a T-statistic of **4.692 > 1.64** (critical value of T at $\alpha = 0.05$), and a p-value of **0.000 < 0.05**, indicating a **significant positive effect**.
- **Hypothesis 2**: *Online Customer Rating has a positive influence on the decision to transact on the Grab application*— **Accepted**, with a path coefficient of **0.553** and a T-statistic of **6.990 > 1.64**, and a p-value of **0.000 < 0.05**, also indicating a **significant positive effect**.

DISCUSSION

The Influence of Online Customer Review on Transaction Decision

The research findings indicate that online customer reviews contribute significantly to the decision to transact using the Grab application. This suggests that the more frequent and positive the reviews available about the Grab app, the greater the tendency for users in Surabaya to use the platform. A majority of the respondents are female (68%), which implies a greater tendency to consider the opinions of others when evaluating aspects such as safety, service quality, and comfort before making a transaction. Furthermore, most respondents are between 17–25 years old, representing Generation Z, who have grown up in a digital culture and are more frequently exposed to online information, including user reviews.

These findings are consistent with the studies conducted by Mufid, Nida, and Erlin (2022) and Fahruddin and Aminah (2025). The most dominant indicator is *Perceived Usefulness*, meaning that the more useful the reviews are perceived to be by users, the more likely they are to proceed with a transaction using the Grab application.

The Influence of Online Customer Rating on Transaction Decision

The research findings also reveal that online customer ratings contribute significantly to the decision to transact using the Grab application. This means that the better the rating of the Grab app (e.g., star ratings on the App Store/Google Play Store), the greater the users' confidence in deciding to use the application. A significant portion of the respondents are female (68%), who are typically more sensitive to reputation and visual rating symbols when making purchasing decisions. Additionally, most respondents are 17–25 years old Generation Z who prefer quick, visual-based decisions, aligning with the instant consumption patterns common among younger users.

These results are consistent with the study by Hariyanto & Trisunarno (2020). The most dominant indicator influencing decisions is *Customer Satisfaction*. This implies that when potential users observe that the Grab app consistently receives high ratings, they are more likely to perceive the app not only as high-quality and trustworthy but also as capable of delivering a satisfying user experience.

CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis and discussion results, it can be concluded that online customer reviews and online customer ratings contribute to the decision to transact on the Grab application in Surabaya. These findings indicate Grab's efforts in presenting positive and credible customer reviews. Furthermore, the better or higher the rating that the Grab application has, the greater the confidence of prospective users in deciding to use the application. The implication of this study is the importance for Grab to continuously manage its online reputation effectively in order to strengthen loyalty and increase competitiveness in the online transportation market. This study has several limitations, including the use of limited data and respondents, so the results may not necessarily reflect situations in different places and times. Suggestions for further research are to expand the number and diversity of respondents, add other relevant variables, and consider other methodological approaches, such as qualitative studies, to gain a deeper understanding of the factors influencing the decision to transact on online transportation applications.

ADVANCED RESEARCH

This study has several limitations that should be acknowledged. Firstly, the data and respondents were limited to users in Surabaya, which may restrict the generalizability of the findings to other regions or different time periods. Secondly, this research focused only on the influence of online customer reviews and online customer ratings, without including other potential factors that might affect transaction decisions on the Grab application. Therefore, future research is recommended to expand the sample size and diversity, include additional relevant variables, and consider employing qualitative methods to gain deeper insights into the factors influencing users' decisions to transact on online transportation platforms.

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