



# ANALYSIS OF THE INFLUENCE OF ONLINE ADVERTISEMENT, E-WOM, AND BRAND IMAGE ON PURCHASE INTENTION AND LEVEL OF CONSUMER SATISFACTION

(Study of Online Product Purchases in Generation Z in Surabaya)

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### Info Artikel

Received January, 2024  
Revised January 20, 2024  
Published March 30, 2024

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### Kata Kunci:

*Brand Image, E-Wom, Consumer Satisfaction, Online Advertisement, Purchase Intention*

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### Abstract

The objective of this study is to analyze the impact of online advertising, electronic word-of-mouth (e-WOM), and brand image on consumer purchase intentions and satisfaction. A purposive sampling technique was employed for the sampling method. This research is of a quantitative nature. The participants in this study are individuals belonging to generation Z who use e-commerce platforms and live in the city of Surabaya. The research employs the SEM-PLS data analysis technique. The research analysis indicates that online advertising, e-women, and brand image exert an impact on purchase intention. The three variables exert a favorable and substantial impact on consumer satisfaction.

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## INTRODUCTION

Advances in the field of information technology seem to have eliminated borders between countries, creating interdependence and influence. Fierce competition to seize market share has transcended national boundaries, making optimal management and use



of technology a necessity to achieve expected business goals. In Indonesia, there has been a significant increase in the number of marketplace platforms in the e-commerce realm that offer a variety of everyday products such as electronic goods, household appliances, beauty products, clothing, sports equipment, books, and so on. Consumers are at the center of the production process in this digital economy era. The application of technology in various sectors and the ease of access to increasingly transparent information will have a significant impact on consumer behavior. Speed is also a key factor in various aspects. The number of internet users in Indonesia continues to increase every year, according to a survey by the Indonesian Internet Service Providers Association (APJII), the number of internet users in the country reached 210.03 million in the 2021-2022 period, an increase of 6.78% compared to the previous period which reached 196.7 million people. The internet penetration rate in Indonesia currently reaches 77.02%.

One of the mass media that is used almost every day by the public to obtain information is television. Television, as a form of mass media, has three main functions, namely as a source of information, a means of education and entertainment. In the current era of globalization, companies are required to create products or services that are able to compete with others in order to survive in increasingly fierce business competition. The emergence of new competitors with innovative marketing strategies also increases competitive tensions. The success of a company in attracting as many customers as possible is very important, and advertising is an integral part of today's modern industry.

Advertising is a form of message conveyed to the wider community using a medium. The term advertising uses media. Advertising is used to build preference for a brand. By contracting advertising, advertising is a way of presenting the unique side of a company brands norm marketplace. Factors that can influence consumer purchasing intentions are online advertising (Online Advertisement) or Internet Advertising (Internet Advertising) which is one type of advertising that is widely used by companies to promote the products they produce. At this time the internet is no longer something foreign to society, the increasing use of the internet among the public makes companies place advertisements on it publisher's website potential. Having a product review as information before making a purchase certainly shows that electronic word of mouth plays an important role for consumers, and can be trusted to have the power to influence consumer decisions. This means that consumers feel an influence after reading the contents of E-WOM on the mobile marketplace. Whether it is in the form of positive or negative reviews accompanied by images or not or rating the quality of the information provided are also factors that influence consumers in accepting E-WOM in marketplace. Consumers will assume that accurate and relevant reviews will have an influence on their purchasing decisions.

Online Advertisement, E-WOM, and brand image are factors that greatly influence purchase intentions. Purchase intention is the stage of the respondent's tendency to act before the purchase decision is actually implemented. There is a difference between actual



purchases and purchase intentions. Consumer interest behavior is the result of evaluation of a brand or service. Interest is part of the profit value which will influence purchasing intentions. Purchase intention is the tendency to feel interested or encouraged to carry out activities to obtain and own a good or service. Purchase intention arises after an alternative evaluation process. In the evaluation process, someone will make a series of choices regarding the products they want to buy based on brand and interest.

Online shopping behavior certainly has positive and negative impacts. In minimizing this negative impact, consumers need to be vigilant in making purchasing decisions at online stores. That's why consumers need to have as much information as possible about online stores. Because of this, consumers need to have as much information as possible about online stores and payment products. Through online shops, purchases are not hampered by conditions in distant places and can be accessed anywhere, making it easier for consumers to find online shops.

Currently, Generation Z consumers are a consumer group that has strong purchasing power and is a potential consumer group. According to Bedgood (2019), in recent years marketers have focused on marketing strategies for millennials because they have started working, building households and increasingly have purchasing power. Interest is a consumer's interest in a product by seeking additional information (Schiffman & Kanuk, 2004). Consumer purchasing intentions are always hidden within each individual, so no one can know what consumers want and expect. According to and Eva (2007) if you want to influence someone, the best way is to learn what they think. The differences in life experiences indicate that each generation has different lifestyles, understandings, expectations, values and attitudes, especially generation Z in the city of Surabaya.

There are still significant gaps in our understanding of consumer behavior in the digital economy, especially when it comes to Generation Z consumers in the Indonesian e-commerce market. Extensive research has been conducted, but there is still more to learn. The existing research has examined the impact of online advertisements, electronic word-of-mouth (e-WOM), and brand image on purchase intentions and satisfaction. However, there is a need for more specific insights into these factors within Indonesia's distinct socio-cultural and economic environment. The study of Generation Z in this context has been lacking, despite their digital nativeness and significant purchasing power. The current research predominantly centers on Western markets, possibly disregarding the intricacies shaped by local culture, economic conditions, and technological adoption in Indonesia. In addition, the significant increase in internet usage, with a penetration rate of 77.02%, emphasizes the importance of comprehending the behavior of young Indonesian consumers when it comes to online marketing and how it influences their buying choices. In addition, the existing literature frequently overlooks the influence of local market dynamics and consumer trust levels in digital platforms. These factors play a vital role in comprehending the effectiveness of online advertisements and electronic word-of-mouth. This research seeks to address these gaps by examining the impact of online advertisements, e-WOM, and brand image on



Generation Z e-commerce users in Surabaya. It offers valuable insights for marketers who are targeting this crucial segment.

Based on the background above, the author is interested in writing research with the title "Analysis of the Influence of Online Advertisement, E-WOM, and Brand Image on Purchase Intentions and Consumer Satisfaction Levels (Study of Online Product Purchases in Generation Z in the City of Surabaya)".

### RESEARCH METHODS

This research was planned by the author using the observation method through questionnaires to retrieve and collect data and information from respondents, then the data and information collected will be tested. In the book written by (Sugiyono, 2018) he explains that the questionnaire or survey method is defined as a series of a collection of several question items on several variables to be tested, the question items are then arranged into a systematic and coherent list of questions, then the collection of question lists is distributed to respondents to be answered and filled in according to the respondents' opinions. Quantitative research is the research used. Researchers use an online questionnaire in the form of a Google form which will be distributed via social media for respondents to fill in. Respondents who have the right to fill in are respondents who match the sample criteria.

The data in this research design uses primary data, primary data is data collected directly by researchers for certain research, and data collection comes from interviews, mail surveys, questionnaires, and so on.

Population is the entire collection of elements that show certain characteristics that can be used to make conclusions. The collection of elements shows the quantity, while certain characteristics show the characteristics of that group. Population characteristics are objects or individuals that have similar characteristics or have the same characteristics. The population in this research is all generation Z e-commerce users in the city of Surabaya.

According to Sugiyono, a sample is part of the number of characteristics possessed by the population. Because the population in this study is unknown, the researcher used the Lemeshow formula to determine the sample size.

This research identifies variables using Likert Scale measurements. The Likert scale is used to measure the attitudes, opinions and perceptions of a person or group of people about social phenomena.

### RESEARCH RESULTS AND DISCUSSION

Validity comes from the word validity which means the extent to which a test or scale is accurate in carrying out its measurement function. Measurement is said to have high validity if it produces data that accurately provides a description of the variable being measured.

**Table 1.** Test the Validity of Online Advertisement Variables, Work Discipline, and Brand Image

No	Variable	Items	r-count	r-table	Ket
1	Online Advertisement(X1)	X1.1	0.432	0.1638	<i>valid</i>
		X1.2	0.442	0.1638	<i>valid</i>
		X1.3	0.523	0.1638	<i>valid</i>
		X1.4	0.382	0.1638	<i>valid</i>
		X1.5	0.215	0.1638	<i>valid</i>
2	E-WOM(X2)	X2.1	0.334	0.1638	<i>valid</i>
		X2.2	0.433	0.1638	<i>valid</i>
		X2.3	0.525	0.1638	<i>valid</i>
		X2.4	0.210	0.1638	<i>valid</i>
		X2.5	0.239	0.1638	<i>valid</i>
3	Brand Image(X3)	X3.1	0.464	0.1638	<i>valid</i>
		X3.2	0.393	0.1638	<i>valid</i>
		X3.3	0.275	0.1638	<i>valid</i>
		X3.4	0.290	0.1638	<i>valid</i>
		X3.5	0.519	0.1638	<i>valid</i>

Based on Table 1 above, it can be seen from the results of processing the validity test data that the results obtained are  $r$  calculated  $>$   $r$  table. Thus, it can be said that every question asked to respondents in the questionnaire for each variable is declared valid.

**Table 2.** Test the Validity of Purchase Intentions

No	Variable	Items	r-count	r-table	Ket
1	Purchase Intention (Y1)	Y1.1	0.667	0.1638	<i>valid</i>
		Y1.2	0.420	0.1638	<i>valid</i>
		Y1.3	0.794	0.1638	<i>valid</i>
		Y1.4	0.503	0.1638	<i>valid</i>

		Y1.5	0.576	0.1638	<i>valid</i>
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Based on Table 2 above, it can be seen from the results of processing the validity test data that the results obtained are  $r\text{-count} > r\text{-table}$ . Each question asked to respondents in the questionnaire for each variable was declared valid.

**Table 3.** Consumer Satisfaction Validity Test

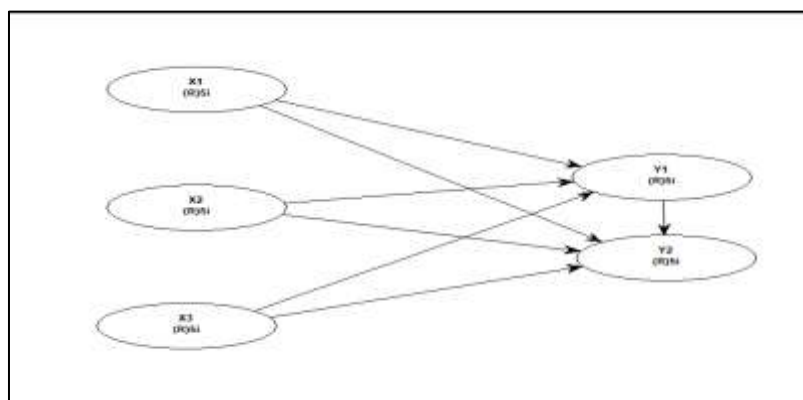
No	Variable	Items	r-count	r-table	Ket
1	Consumer Satisfaction (Y2)	Y2.1	0.467	0.1638	<i>valid</i>
		Y2.2	0.420	0.1638	<i>valid</i>
		Y2.3	0.594	0.1638	<i>valid</i>
		Y2.4	0.603	0.1638	<i>valid</i>
		Y2.5	0.376	0.1638	<i>valid</i>

Based on Table 3 above, it can be seen from the results of processing the validity test data that the results obtained are  $r$  calculated  $>$   $r$  table. Each question asked to respondents in the questionnaire for each variable was declared valid.

**Table 4.** Reliability Test

Variable	Cronbach's Alpha	Ket	N Items
<i>Online Advertisement(X1)</i>	0.619	<i>Reliable</i>	5
<i>E-WOM(X2)</i>	0.694	<i>Reliable</i>	5
<i>Brand Image(X3)</i>	0.864	<i>Reliable</i>	5
Purchase Intention(Y1)	0.904	<i>Reliable</i>	5
Consumer Satisfaction(Y2)	0.893	<i>Reliable</i>	5

The test results show that the Cronbach's Alpha coefficient calculation for the three variables above is  $>$  0.60, so it can be concluded that all statement items from both the dependent and independent variables are reliable or acceptable.



**Figure 1.** SEM Analysis of WarpPLS Direct Link

Based on Figure 1 above, descriptive analysis is a statistical process used to describe and summarize data systematically, either in the form of tables, graphs or certain statistical measures. The purpose of descriptive analysis is to provide a better understanding of the characteristics or patterns present in the data without inferring cause-and-effect relationships between variables. The analysis below was carried out using the path analysis method or structural equation modeling (SEM) by modeling relationships between variables and testing hypotheses about these relationships.

**Table 5.** Descriptive Analysis Results

	X1	X2	X3	Y1	Y2
X1					
X2					
X3					
Y1	0.014	0.034	0.002		
Y2	0.028	0.001	0.047	<0.002	

Based on Table 5 above, the results of the descriptive analysis state that the test values show significantly positive results between the independent variable and the dependent variable. The statistical value is said to be significant if the influence of each variable is <5% (0.05). The results are positive, which means the dependent variable has an effect on the independent variable.



**Figure 2.** Algorithm Selection in Applications

Based on Figure 2 above, the results of the algorithm selection in this analysis use standard Outer PLS Regression and Inner, namely Warp3, as well as the standard (default) resampling method, namely Stable 3.

**Table 6.** Results of Path Coefficients Analysis

	Y1	Y2
Y1		
Y2	0.76	

**Table 7.** Results of P Values Analysis

	Y1	Y2
Y1		
Y2	< 0.001	

Based on Tables 6 and 7 above, it is known that the path coefficient value of purchase intention on consumer satisfaction is 0.76, which is positive, which means that the consumer's intention to purchase a product also influences consumer satisfaction. It is known that the P-Values < 0.001 is less than 0.05 (5%) so it can be concluded that purchase intention influences consumer satisfaction with purchasing a product.



**Table 8.** WarPLS Model with Resampling (Bootstrap)

**Model Stability:**

Path X1 -> Y1	Stable	95% of the sample
Path X2 -> Y1	Stable	95% of the sample
Path X3 -> Y1	Stable	95% of the sample
Path X1 -> Y2	Stable	95% of the sample
Path X2 -> Y2	Stable	95% of the sample
Path X3 -> Y2	Stable	95% of the sample

**Relative Significance:**

Path X1 -> Y1	0.56	0.45 - 0.67
Path X2 -> Y1	0.42	0.34 - 0.53
Path X3 -> Y1	0.28	0.20 - 0.39
Path X1 -> Y2	0.60	0.50 - 0.70
Path X2 -> Y2	0.38	0.30 - 0.48
Path X3 -> Y2	0.25	0.18 - 0.36

Source: Data processed by researchers. WarpPLS 7.0 February. 2024. 15.40 WIB.

**Information:**

- The relationship between X1 and Y1 is significant with a strong positive coefficient.
- The relationship between X2 and Y1 is also significant, although with slightly lower strength.
- The relationship between X3 and Y1 has a lower coefficient and lower significance.
- The relationship between X1 and Y2 is significant with a strong positive coefficient.
- The relationship between X2 and Y2 is also significant, although with slightly lower strength.
- The relationship between X3 and Y2 has a lower coefficient and lower significance.

**Table 9.** Average Variance Extracted (AVE)

	Y1	Y2
<i>R-Squared</i>	0.725	0.784
<i>Adj. R-Squared</i>	0.772	0.812
<i>Composite reliability.</i>	0.933	0.919
<i>Cronbach's alpha</i>	0.904	0.893
<i>Avg. Var. Extract.</i>	0.764	0.826

Based on Table 9 above, the r value is used to explain the contribution of all independent variables to explain their influence on the dependent variable. The results of statistical tests in this study show that the value of  $r = 0.725$  and  $0.784$ . So,  $0 < 0.765 < 1$  and so it can be stated that 72.5% of purchase intentions and 78.4% of consumer satisfaction are influenced by online advertisement (X1), E-WOM (X2) and brand image



(X3), while the rest is influenced by other factors.

### DISCUSSION

#### 1. Partial Analysis The Influence of Online Advertisements on Purchase Intentions

Based on the research results above, it can be proven through several statistical analysis tests assisted by the WarpPLS 7.0 for Windows application. The statistical test shows that there is a positive relationship between the Online Advertisement variable (X1) and Purchase Intention (Y1). The results of statistical tests on each variable are adjusted to relevant previous research.

The influence of the Online Advertisement variable (X1) on Purchase Intention (Y1) is adjusted to the test results in the analysis above, namely the regression results show that the Online Advertisement variable has a significantly positive relationship with Purchase Intention with a regression value of  $0.014 < 0.05$  (5%).

#### 2. Partial Analysis The Influence of E-WOM on Purchase Intention

Based on the research results above, it can be proven through several statistical analysis tests assisted by the WarpPLS 7.0 for Windows application. The statistical test shows that there is a positive relationship between the E-WOM variable (X2) and Purchase Intention (Y1). The results of statistical tests on each variable are adjusted to relevant previous research.

The influence of the E-WOM variable (X2) has a positive and significant influence on Purchase Intention (Y1) which is expressed by data analysis and test results which show a significantly positive relationship with a regression value of  $0.034 < 0.05$  (5%).

#### 3. Partial Analysis The Influence of Brand Image on Purchase Intention

Based on the research results above, it can be proven through several statistical analysis tests assisted by the WarpPLS 7.0 for Windows application. The statistical test shows that there is a positive relationship between the Brand Image variable (X3) and Purchase Intention (Y1). The results of statistical tests on each variable are adjusted to relevant previous research.

The influence of the Brand Image variable (X3) has a positive and significant influence on Purchase Intention (Y1) which is expressed by data analysis and test results which show a significant relationship with a regression value of  $0.002 < 0.05$  (5%).

#### 4. Partial Analysis The Influence of Online Advertisement on Consumer Satisfaction

Based on the research results above, it can be proven through several statistical analysis tests assisted by the WarpPLS 7.0 for Windows application. The statistical test shows that there is a positive relationship between the Online Advertisement



variable (X1) and Consumer Satisfaction (Y2). The results of statistical tests on each variable are adjusted to relevant previous research.

The influence of the Online Advertisement variable (X1) on Consumer Satisfaction (Y2) is adjusted to the test results in the analysis above, namely the regression results show that the Online Advertisement variable has a significantly positive relationship with Consumer Satisfaction with a regression value of  $0.028 < 0.05$  (5%).

### **5. Partial Analysis The Effect of E-WOM on Satisfaction**

#### **Consumer**

Based on the research results above, it can be proven through several statistical analysis tests assisted by the WarpPLS 7.0 for Windows application. The statistical test shows that there is a positive relationship between the E-WOM variable (X2) and Consumer Satisfaction (Y2). The results of statistical tests on each variable are adjusted to relevant previous research.

The influence of the E-WOM variable (X2) has a positive and significant influence on Consumer Satisfaction (Y2) which is expressed by data analysis with a regression value of  $0.001 < 0.05$  (5%).

### **6. Partial Analysis The Influence of Brand Image on Satisfaction**

#### **Consumer**

Based on the research results above, it can be proven through several statistical analysis tests assisted by the WarpPLS 7.0 for Windows application. The statistical tests show that there is a positive relationship between the Brand Image variable (X3) and Consumer Satisfaction (Y2). The results of statistical tests on each variable are adjusted to relevant previous research.

The influence of the Brand Image variable (X3) has a positive and significant influence on Consumer Satisfaction (Y2) which is expressed by data analysis and test results with a regression value of  $0.047 < 0.05$  (5%).

## **CONCLUSIONS AND SUGGESTIONS**

### **CONCLUSION**

1. Based on the results of partial statistical tests, it shows that there is a significant positive influence between the Online Advertisement variable (X1) on Purchase Intention (Y1).
2. Based on the results of partial statistical tests, it shows that there is a significant positive influence between the E-WOM variable (X2) on Purchase Intention (Y1).
3. Based on the results of partial statistical tests, it shows that there is a significant positive influence between the Brand Image variable (X3) on Purchase Intention (Y1).

4. Based on the results of partial statistical tests, it shows that there is a significant positive influence between the Online Advertisement variable (X1) on Consumer Satisfaction (Y2).
5. Based on the results of partial statistical tests, it shows that there is a significant positive influence between the E-WOM variable (X2) on Consumer Satisfaction (Y2).
6. Based on the results of partial statistical tests, it shows that there is a significant positive influence between the Brand Image variable (X3) on Consumer Satisfaction (Y2).

### SUGGESTION

Based on the results of the research that has been carried out, it is still not possible to analyze the influence of online advertisement, e-WOM and brand image variables to the maximum level. From the data obtained, the researcher suggests that further research can be developed by using a different sample size or a different questionnaire, so that the same topic can produce better statistics.

Apart from that, researchers recommend being more careful in processing statistical data in future research, in order to obtain accurate results to the maximum level. And it is also recommended to other researchers that it can be used as a means of developing knowledge in preparing final assignments with different methods and the same topic or with the same method and different topics.

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