ANALYSIS OF THE INFLUENCE OF ELECTRONIC WORD OF MOUTH ON PURCHASE DECISIONS FOR BUTTONSCARVES

Nia Rosliana Sinambela[1], Sugih Arto Pujangkoro[2], Syafrizal Helmi Situmorang[3]
[1,2,3]University of Northern Sumatra
niaroslianasinambela@gmail.com

Abstract

Electronic Word Of Mouth is used as a means of communication between people where the person receives non-commercial messages about brands, products or services. With the existence of Electronic Word Of Mouth, it is easier for prospective buyers to determine their choice whether to buy the product or not depending on the content of the information whether it is positive or negative. In addition to Electronic Word Of Mouth, prospective buyers generally adjust their own personality to the personality of an item being purchased. This type of research uses a quantitative method by distributing questionnaires via Google Formal. The population used in this study were Buttonscarves buyers at Sun Plaza and Delipark. The sampling technique in this study used the purposive sampling technique with a sample size of 175 respondents divided into 88 respondents at Sun Plaza and 87 respondents at Delipark. The results of this study are that Electronic Word Of Mouth has a positive and significant effect on the decision to purchase Buttonscarves products. Electronic Word Of Mouth has a positive and significant effect on the decision to purchase the results of the determination test obtained R2 of 0.56 or 56%. This explains that around 56% of purchasing decision variables can be explained by EWOM variables.

INTRODUCTION

The Indonesian Internet Service Providers Association (APJII) revealed that the most users connect to the internet every day via smartphones in 2022 (89.03%). Users stated that the average time needed per day to use the internet is dominated by those who answered around 1-5 hours a day, women with a percentage of 53.74% and men with 49.59%. The internet content that is often accessed is social media with a

percentage of 89.15% and online shopping with a percentage of 21.26%. The use of social media to sell products or services is 84.75% and those who do not use social media are 15.25%. The marketplaces used to sell products are Shopee with a percentage of 39.30%, Tokopedia with a percentage of 24.38%, Lazada with a percentage of 14.93%, and many other marketplaces.

Due to the widespread use of social media in society, the concept of social media marketing emerged. Therefore, traditional Word Of Mouth has moved from the real world to the virtual world as "E-WOM", and it is very important to know how E-WOM can influence consumer purchasing decisions. Electronic word of mouth can be defined as communication between people where the person receives non-commercial messages about a brand, product or service. In other words, sharing and exchanging information about consumption experiences. Currently, prospective consumers can see reviews of an item from social media, such as customer reviews in the marketplace, currently many influencers or youtubers provide real reviews of a product. Research shows that 61% of consumers read online reviews before making a purchase (Source: Midtrans.com). Some prospective customers also see a lot of YouTube, Instagram, Twitter (x) and TikTok. The importance of E-WOM in influencing purchasing decisions has been proven in various studies. As in the study of Amelia, et al (2022) stated that E-WOM has a significant positive effect on purchasing decisions. This is also reinforced by other research, namely by Sepfiani, et al. (2023) which shows that consumers place great trust in E-WOM information shared on social media and E-WOM is the main consideration for consumers when making research decisions.

Based on the description above, the researcher sees that there are things that need to be researched on ButtonScarves products to analyze Electronic Word Of Mouth. Therefore, the researcher conducted research for this thesis with the title: Analysis of the Influence of E-Wom on Purchase Decisions for Buttonscarves Products.

RESEARCH METHODS

This study uses a quantitative method because the quantitative method provides objectivity, where the hypothesis is tested by collecting data, and statistical criteria are applied to assess the action so that it is tested (Hair et al., 2020). In this study, the data was analyzed using a descriptive quantitative method approach.This study was located at the Buttonscarves Store at Sun Plaza Mall and Delipark Medan. The population in this study were ButtonScarves customers who had purchased ButtonScarves products at Sun Plaza Mall Medan and Delipark Mall Medan. This study uses a scale of 5 because this study is a small-scale social study, so the number of questions in this study (35) is multiplied by 5 to produce a sample size of 175 respondents (ButtonScarves customers) with a margin of error of 10% (error rate of 10% and a truth rate of 90%). According to

Hair et al, 2020, a good sample size ranges from 100-200 respondents.

Electronic Word Of Mouth

According to Ismagilova (2017:18) E-WOM is a dynamic and ongoing process of exchanging information between potential, actual, or former consumers about a product, service, brand, or company, which is available to many people and institutions via the internet. Research shows that 61% of consumers read online reviews before making a purchase. Customer reviews are 12x more trusted than product descriptions by companies, and Ewom Communication results in an average increase in sales of 18% (Charlton, 2019)

Ismagilova, et. al. (2017:20) said that Electronic Word Of Mouth (EWOM) has several characteristics, including:

1. EWOM volume and reach increases

    EWOM communication can reach many people in a relatively short time. This can happen because there are more media options that can be used to spread EWOM than traditional WOM which tends to be more aware.

2. Platform deployment

    EWOM results depend on the extent to which product-related conversations occur across communities. Where the nature of the platform can have a major impact on eWOM changes.

3. Persistence and observability

    The information available on the platform is useful for other consumers seeking opinions about products and services. Persistence and observability mean that current eWOM will influence future eWOM.

4. Anonymity

    *Electronic word of mouth*anonymous, this is because the internet is an anonymous media (without identity). The information provided by the communicator has the nature of directing consumers in making decisions. Sellers who prioritize themselves will reduce the credibility and benefits of eWOM.

5. The importance of valence

    Valence refers to the positive or negative ratings that consumers give when they evaluate a product or service.

6. Community involvement

    EWOM platforms support consumers to form specialized and geographically unbound consumer communities.

Buying decision

Purchasing decision is the stage in the purchasing decision-making process where consumers actually buy (Kotler, 2016). Decision-making is an individual activity that is

directly involved in obtaining and using the products or services offered. Purchasing decision is a process in which consumers identify problems, seek information about certain products or brands and evaluate how well each alternative can solve their problems, which then leads to a purchasing decision.

According to (Kotler & Keller, 2016) there are 5 purchasing decision indicators, namely
1. *Brand*: brand purchasing, buyers must make a decision about which brand to buy.
2. *Dealers*: channel selection, the buyer must decide which distributor to visit.
3. *Quantity*: purchase amount. Consumers can make decisions about how much of a product they will buy at any one time.
4. *Timing*: determinants of purchase time, consumer decisions in choosing the time of purchase can vary
5. *Payment Method*: consumer decisions in determining payment methods with various methods, cash or cashless.

Kotler & Keller (2016) stated that the purchasing process goes through five stages. The consumer purchasing stages include:
1. *Problem recognition*: The purchasing process begins with a problem or need felt by the consumer,
2. *Information search:*Next, consumers look for information that is stored in memory (internal) as well as information obtained from the environment (external),
3. *Evaluation Of Alternatives*: Consumers evaluate various alternative choices in fulfilling these decisions,
4. *Purchase Decision*: Consumers who have made a choice from various alternatives usually buy the product they like the most, which forms a decision to buy,
5. *Post Purchase Behavior*: Consumer satisfaction or dissatisfaction with a product will influence subsequent purchasing behavior.

RESULTS AND DISCUSSION

Descriptive EWOM Variables
Variable TableElectronic Word Of Mouth (X1)

No	INDICATOR	CODE	SS	S	KS	TS	STS	MEAN	%	NUMBER OF RESPONDENTS
CONTENT										
1	Argument Strength	X1.1	80	93	2	0	0	4.45	8.21%	14
	Sideness	X1.2	87	86	1	1	0	4.48	8.27%	14

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	Supporting Data	X1.3	86	88	0	1	0	4.48	8.27%
CONSISTENCY OF RECOMMENDATIONS								
2	Product Reviews	X1.4	73	100	2	0	0	4.41	8.13%
	Service Reviews	X1.5	101	72	2	0	0	4.57	8.43%
RATINGS								
3	Product Rating/Rating	X1.6	97	78	0	0	0	4.55	8.41%
	Service rating/rating	X1.7	96	79	0	0	0	4.55	8.40%
QUALITY								
4	Relevance of Information	X1.8	91	83	1	0	0	4.51	8.33%
	Punctuality	X1.9	92	82	1	0	0	4.52	8.34%
	Accuracy	X1.10	112	63	0	0	0	4.64	**8.57%**
	Completeness	X1.11	95	80	0	0	0	4.54	8.39%
VOLUME								
5	Product Popularity	X1.12	85	89	0	0	1	4.47	8.25%

Source: Author's Data Processing Results, 2023

Based on the table, it can be seen that the dimension with the highest value is the Quality dimension with an average value of 4.56 or a percentage of 20.23%. And the indicator value that has a high value is accuracy with an average value of 4.64 and a percentage of 8.57%, the statement on this indicator is "I Purchased Buttonscarves Products With Accurate Information". While the dimension with the lowest value is the content and volume dimension with an average value of 4.47 and a percentage of 19.83% and the indicator with the lowest value is in the recommendation consistency dimension, namely the product review indicator with an average value of 4.41 and a percentage value of 8.13%, the statement on this indicator is "I Saw Reviews Regarding Buttonscarves Products".

According to Ismagilova (2017:18) E-WOM is a dynamic and ongoing process of exchanging information between potential, actual, or former consumers about a product, service, brand, or company, which is available to many people and institutions via the internet. Research shows that 61% of consumers read online reviews before

making a purchase. However, this is different from the results of this study, product reviews have the lowest value in this study. Customers buy Buttonscarves products not oriented towards product reviews but by procuring funds to buy Buttonscarves products. Customers do not doubt the quality of Buttonscarves products.

Analysis Results

In this study, more than one variable is used as an indicator, namely Electronic word of mouth (X), and purchasing decisions (Y). Testing was carried out using the SPSS program. The following are the results of simple regression testing.

Multiple Linear Regression Test Results Table

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10,013	2,217		4,517	0.056
	EWOM	0.256	0.035	0.419	7,353	0,000
a. Dependent Variable: Purchase Decision						

Source: Results of researcher data processing with SPSS, 2023

Based on the table above, the equation above can be explained as follows: $Y = 10.013 + 0.256X1 + e$
1. Constant (a) = 10.013
   The constant has a value of 10.013, this shows that X1, X2, and X4 are 0 (zero), so the purchasing decision (Y) has a value of 10.013.
2. EWOM variable (X1) = 0.256
   Variable X1 has a regression coefficient value of 0.256, if there is a change in the EWOM variable of 1 point or 1%, it can increase the purchasing decision value by 0.256.

Based on table 4.12 shows that the Standardized Coefficients Beta value is 0.419, meaning that the purchasing decision (Y) is influenced by Electronic word of mouth by 42%. While the remaining 58% is influenced by other factors/variables outside this study.*Electronic word of mouth*(X1) has a tcount value of 7.353 > ttable 1.65387 and a

significant value of 0.000 < 0.05. So it can be concluded that the Electronic word of mouth variable has a positive and significant effect on purchasing decisions.The following are the results of hypothesis testing in this study:

1. **The Influence of Electronic Word of Mouth(X1) on purchasing decisions (Y)**

Ho = Electronic word of mouth(X) has no effect on purchasing decisions (Y) for Buttonscarves products

Ha = Electronic word of mouth (X) influences purchasing decisions (Y) for Buttonscarves products.

From table 1, it can be seen in the Electronic word of mouth variable (X) that the sig value (0.00) < 0.05, so H0 is rejected. This means that Electronic word of mouth (X) has an effect on the purchasing decision (Y) of Buttonscarves products.

CONCLUSION

Based on the results of the research and discussion that has been done, the author can conclude that Electronic word of mouth has a positive and significant effect on the decision to purchase Buttonscarves products. Based on the test results using the SPSS program, it can be seen that the dimension with the highest value in the EWOM variable is the Quality dimension with an average value of 4.56 or a percentage of 20.23%. And the indicator value that has a high value is accuracy with an average value of 4.64 and a percentage of 8.57%, the statement on this indicator is "I Purchased Buttonscarves Products With Accurate Information". While the dimension with the lowest value is the content and volume dimension with an average value of 4.47 and a percentage of 19.83% and the indicator with the lowest value is in the recommendation consistency dimension, namely the product review indicator with an average value of 4.41 and a percentage value of 8.13%, the statement on this indicator is "I Saw Reviews About Buttonscarves Products". So it can be concluded that electronic word of mouth has a positive influence on purchasing decisions. Every response or content in the form of videos, articles, photos, or others provided by buyers can influence the purchasing decisions of other potential customers, so Buttonscarves must be more careful in providing services and paying attention to product quality when serving customers.

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