

The Influence of Electronic Word of Mouth and Brand Image on Purchasing Decisions at Shopee

Ardian SAMSUDDIN¹

¹Faculty of Economics & Business, Indonesian Islamic University, Indonesia

Article Info:

Article History:

Received: 2022-11-04

Revised: 2022-12-05

Accepted: 2023-01-02

Keyword:

e-WOM, brand image,
purchasing Decision.

Corresponding Author:

Ardian Samsuddin

Email:

ardian.samsuddin07@gmail.com

Paper Type:

Research Paper



Abstract:

Purpose:

With the fourth industrial revolution, technology around the world is developing faster, enabling faster information transfer (Nabilah et al., 2021). This is exacerbated by the increasing number of internet users around the world. Internet use is prevalent in many areas of everyday life. The economic sector is the only industry that has been negatively affected by the emergence of the internet (Malay, 2022).

Methodology:

The methodology used in this research is quantitative. Consumers who took part in this survey had previously made purchases at Shopee.com. On the other hand, the minimum number of samples needed for this research is around 90 samples by using a questionnaire in determining the research. While the analysis tool uses multiple regression via SPSS.

Findings:

The results of the study suggest that keeping this in mind, it can be said that Electronic Word of Mouth is a useful word of mouth tool for Shopee purchase recommendations. Electronic Word of Mouth has a more dominant influence on the purity of purchases at Matahari Depart Store, so it is suggested that Matahari's management must be able to provide good service to consumers.

Implication:

The implications of the research state that brand image lifestyle and electronic word of mouth promotion on purchasing decisions are very decisive for marketing. So that the brand can create a good product and increase purchases.

Cite this article:

SAMSUDDIN, A. (2023). "The Influence of Lifestyle and Reference Groups on Halal Cosmetic Purchase Decision." *Journal of Entrepreneurial and Business Diversity*, Volume (1), Issue (1), Page (01-05).

INTRODUCTION

In the industrial era 4.0, technological developments are increasingly rapid, thus encouraging the faster exchange of information (Nabilah et al., 2021). The increasing number of internet users around the world supports this. From Cable News Network (CCN) data at the beginning of 2021, as many as 202.6 million people used the internet (Nafisah & Murningsih, 2021). When viewed in January 2021, this number increased by 15.5% or 27 million people, with the total population of Indonesia currently being 274.9 million (Masturi et al., 2021).

The emergence of the internet has had a tremendous impact on various aspects of life. The economic sector is one of the fields that has experienced the impact of the emergence of the internet (Malay, 2022). The emergence of internet-based economic activities or electronic commerce (e-commerce) has caused many changes and developments in the economic sector. All activities of disseminating, selling, purchasing, and marketing products (goods or services) using telecommunications networks such as the internet, television, or other computer networks are called e-commerce (Lubis, 2022).

Judging from the increase in the number of internet usage as well as the large amount of e-commerce in Indonesia, people who are currently making purchases not only come directly but also make purchase transactions

online. Purchasing Decision is a process of consumer behavior that begins with how a person chooses a good or service, then buys it and uses it to get the wants and needs of consumers (Damayanti Geraldine & Anisa, 2022).

Electronic word of mouth is one of the strategies in marketing, and e wom is indispensable in e-commerce marketing to attract consumers in determining product purchase decisions (Nur & Octavia, 2022). This shows that E-WoM is very supportive of this consideration. A product review is used to influence buying interest. A good review of a particular product will increase the buying interest and vice versa. If the review states that it does not support the purchase, then there is a decrease in buying interest in products in the online shop (Muninggar et al., 2022). The intended behavior here is consumer behavior in making decisions and purchases that begin with consumer interest in a product or service (I Gusti et al., 2022).

Electronic word of mouth is essential in developing digital marketing, especially for Shopee. Information such as comments on official items, reviews or blogs that provide many statements of one's experience will influence potential consumers to purchase. Feedback comments are more aimed at the product's features, specification, and quality and the seller's credibility responses. At the same time, blog reviews or reviews are more aimed at consumer knowledge regarding the shopping experience. Some information and responses from others that are positively related to a brand image can influence the emergence of e-WOM, which can later encourage the emergence of a brand image (Indratno et al., 2021).

According to (Kotler and Gary Armstrong, 2016), brand image is an impression that exists in the minds of consumers about a brand which is formed by consumer messages and experiences about the brand, thus giving rise to the image that exists in consumer minds (Irawan et al., 2022).

According to (Setiadi, n.d. 2013), if a product has a negative brand image, it tends to affect consumers, which makes consumers' buying interest low and ultimately not make a purchase decision. However, if the product can provide a positive image, consumer interest is high, and consumers will purchase it (Kusuma et al., 2022). Although many factors influence purchasing decisions, in this case, it is undeniable that brand image and brand equity are also essential elements to influence purchasing decisions because of the excellent brand image that the product has (Ali et al., 2019). Subjective phenomena and perceptions are formed mainly through reasoned or emotional interpretations of consumers (Kukuh Indra Liswana, 2022).

Based on this background, there are several formulations of the problem: (1) Does electronic word of mouth significantly influence purchasing decisions at Shopee? (2) Is there a significant influence of Brand Image on purchasing decisions at Shopee? (3) Is there a simultaneous influence of electronic word of mouth and Brand Image on purchasing decisions on Shopee?

METHODS

The subjects of this study were consumers who had shopped at Shopee.com. At the same time, the minimum number of samples needed in this study was 90, determined based on the number of indicators multiplied by 18 ($18 \times 5 = 90$). Then the number of samples is rounded to 100 respondents. Based on the demographic characteristics of the sex, consumers who have shopped at Shopee.com are women, namely 71 people (71%), compared to men, 29 people (29%). While most respondents aged 20-30 years were 83 people (83%), followed by 31-40 years nine people (9%), <20 years six people (6%) and >40 years two people (2%). Variable indicators in this study include (1) entrepreneurship education: lecturers, materials, teaching materials, learning methods, tasks, and evaluations, and (2) entrepreneurial competence: creativity, risk-taking, self-confidence, independence, and management skills. Measurements were made using a Likert scale with values of 1 (strongly disagree), 2 (agree), 3 (neutral), 4 (agree) and 5 (strongly agree). All research instruments are declared valid and reliable so that the following process can be carried out, namely regression analysis. Based on demographic characteristics, the dominant gender of students is female, as many as 64 people (66%) compared to men, which amounted to 33 people (34%). Meanwhile, most respondents were 20 years old, 25 people (26%),

followed by 19 years (24 people, 25%), 21 years (20 people, 21%), 18 years (16 people, 16%), and 22 years old. Years (12 people, 12%). The indicators of variables in this study include (1) entrepreneurship education: lecturers, materials, teaching materials, learning methods, assignments, and evaluations, and (2) entrepreneurial competence: creativity, risk-taking, self-confidence, independence, and management skills. Measurements are made using a Likert scale with a value of 1 (strongly disagree), 2 (agree), 3 (neutral), 4 (agree) and 5 (strongly agree). All research instruments are declared valid and reliable so that the following process can be carried out, namely regression analysis.

RESULTS AND DISCUSSION

The respondents' demographics of gender and age can be seen in Table 1. Table 1. Respondent Profile (n = 100)

Table 1. Gender Frequency

Variable	Frequency	Percentage (%)
Gender		
Male	29	(29%)
Woman	71	(71%)
Total	100	100.0

Table 2. Age Frequency

Variable	Frequency	Percentage (%)
Age	6	(6%)
<20years	83	(83%)
20-30 years	9	(9%)
31-40 years	2	(2%)
Total	100	(2%)

Table 3. Multiple Linear Regression Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-,020	,313		-,064	0,949
X1	,317	,106	,315	3,490	0,001
X2	,325	,084	,333	3,848	0,000
X3	,291	0,89	,274	3,276	0,001

Table 4. Simultaneous Test Results (Test F)

Type	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	18,360	3	6,120	60,807	,000b
Residual	9,662	96	,101		

Total	28,023	99
-------	--------	----

The results of the analysis of the calculated value for the variable Electronic Word of Mouth (X1) = 3.490 with a degree of significance (α) = 5% and a degree of freedom (et al.) = 98, then obtained a table of 1.9849 meaning the value of the calculation > table. Thus, Electronic Word of Mouth (X1) is a good estimator for purchasing decisions in the Sun (Y). The results of the analysis of the calculated value for the variable Brand Image (X2) = 3.848 with a degree of significance (α) = 5% and a degree of freedom (et al.) = 98, then obtained a t-table of 1.9849 means the calculated value of > t-table. Thus, Brand Image (X2) is a good estimator for purchasing decisions in the Sun (Y).

CONCLUSION

Based on the analysis and discussion in this study, the following conclusions can be drawn: 1). There is an influence of Electronic Word of Mouth of 0.371 with a significance level of 0.001 and Brand Image of 0.325 with a significance level of 0.000. Electronic Word of Mouth has a more dominant influence on the purity of purchases in the Sun, so it is recommended that Matahari management should be able to provide good service to consumers.

REFERENCE

- Ali, I., Irdiana, S., & Irwanto, J. (2019). Impact of Brand Image, Brand Equity and Brand Trust on Asus Laptop Purchase Decision (Study at Lumajang Computer Centre Computer Store in Lumajang Regency). *Progress Conference*, 2(July), 406–413.
<http://proceedings.stiewidyagamalumajang.ac.id/index.php/progress/article/view/210/199>
- Damayanti, G. A. L., & Anisa, F. (2022). The Influence of Brand Image, Online Customer Reviews, and Service Quality on Purchasing Decisions on Lazada. *Borobudur Management Review*, 2(2), 132–142.
<https://doi.org/10.31603/bmar.v2i2.6963>
- I Gusti, N. S. W., Ni Wayan, C. A. P., Ni Nyoman, M., & I Gede, D. Y. (2022). The Influence of Electronic Word of Mouth (E-Wom), Risk Perception, Customer Trust, and Wikipedia E-Commerce Purchasing Decisions. *E-Journal of Management*, 11(1), 107–115.
- Indratno, D. L., Supardin, L., & Wiranto, E. (2021). Pengaruh Electronic Word of Mouth, Brand Image and Trust in Purchasing Decisions in the Sun. *Edunomika Scientific Journal*, 6(1), 139.
<https://doi.org/10.29040/jie.v6i1.3707>
- Irawan, P. R., Abdillah, A., & Taryanto, T. (2022). The Effect of Brand Image on Purchasing Decisions in the Home Industry of Kandangwesi Leather Sandals Collection Garut. *Muhammadiyah Journal of Business Management*, 3(2), 61. <https://doi.org/10.24853/jmmb.3.2.61-68>
- Kotler., & Gary, A. (2016). *Principles of Marketing Principles (9th ed)*. Erlangga.
- Kukuh Indra Liswana. (2022). The Influence of Brand Image and Service Quality on Purchasing Decisions (Survey on Consumers of Tasikmalaya Full Hopper Shop). *Journal of Scientific Scholars*, 1(4), 4000–4004.
- Kusuma, S. S., Wijayanto, A., & Listyorini, S. (2022). The Effect of Brand Image, Product Quality and Price on Purchasing Decisions on the Uniqlo Brand (Study on Consumers of Uniqlo Dp Mall Semarang). *Journal of Business Administration*, 11(4), 807–813. <https://doi.org/10.14710/jiab.2022.35892>
- Lubis, R. (2022). The Effect of E-Commerce on Revenue. *Juripol*, 5(2), 443–450.
<https://doi.org/10.33395/juripol.v5i2.11765>

- Malay, N. M. (2022). The Positive and Negative Impacts of Internet Use Among Students of Classes A, B, C, and D of The 2021 Pend Study Program. *Indonesian Language and Literature, Nusa Cendana University. Lazuardi Journal*, 5(1), 70–88. <https://doi.org/10.53441/jl.vol5.iss1.72>
- Masturi, H., Hasanawi, A., & Hasanawi, A. (2021). Journal of Research Innovation. *Journal of Research Innovation*, 1(10), 1–208.
- Muninggar, D. A., Rahmadani, A., & Sanjaya, V. F. (2022). The Effect of Electronic Word of Mouth (E-WoM) on Buying Interest in Shopee Application (Case Study of Bandar Lampung City). *Business and Entrepreneurship*, 3(1), 30–39.
- Nabilah, P., Mhd, Y., & Nurbaiti. (2021). Industrial Revolution 4.0: The Role of Technology in the Existence of Business Mastery and Its Implementation. *JPSB*, 9(2), 91–98.
- Nafisah, F. R., & Murniningsih, R. (2021). Influence of E-WOM and Brand Image Against Purchasing Decisions with Price Discount as a Moderation Variable (Empirical Study on Shopee Consumers in Magelang City). *Untidar Journal*, September, 301–309.
- Nur, D. S., & Octavia, A. (2022). The Influence of Electronic Word of Mouth on Purchasing Decisions with Consumer Trust as a Mediation on the Shopee Marketplace in Jambi City. *Journal of Applied Management and Finance*, 11(2), 387–399. <https://doi.org/10.22437/jmk.v11i2.17960>