

THE INFLUENCE OF ELECTRONIC WORD OF MOUTH (EWOM) TOWARDS CONSUMERS' PURCHASE DECISION AT BAKSO BOEDJANGAN, BANDUNG

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Abstract

The growth of Internet users in Indonesia is increasing every year, which is in line with the existing of social media's popularity. Bakso Boedjangan catches an opportunity to excecute its promotion in which are both communication and interaction bounded called word of mouth, and interaction on social media called electronic word of mouth. The objective of this study of this study is to see how much the electronic word of mouth gives impact on purchasing decisions at Bakso Boedjangan Bandung. This research is quantitative descriptive data and causal analysis, respondents surveyed in this study amounted to 100 people who have made a purchasing decision in Bakso Boedjangan by using probability technique sampling, then carried out analysis to the data obtained by using simple linear analysis. The result showed that electronic word of mouth in the position of 69,1% with a number of high category, purchasing decision in the position of 73,6% with a number of high category. Based on the overall result of hypothesis testing, electronic word of mouth is partially significant effect on purchasing decisions at Bakso Boedjangan Bandung. This is evidence by tcount > ttable, which is 7,480 > 1.984. Based on the coefficient of determination, it shows that purchasing decision will be explained by the electronic word of mouth 36,36%, while the remaining 63,64% are influenced by other variables which are not examined in this study.

Keyword: electronic word of mouth, purchasing decision, word of mouth

1. INTRODUCTION

1.1 One interesting phenomenon of technological development is the presence of the Internet as a new medium that can not be separated from the life of today's modern society. Based on a survey conducted APJII (2014) [11] showed that Internet users in Indonesia is dominated by teens ages 18-25 years with accessing social media when they use the internet. Based on the survey conducted by the Pew Research Internet Project [2], one can share experiences, review products and interact with other consumers via social media. These communications are called by word of mouth. Now, word of mouth has undergone a paradigm shift. First word of mouth communication is done faceto-face with the man who had been known, but now word of mouth can be done in the virtual world with cangkupan wider, ie in seconds what we share is able to be read by millions of others. Along with the shift paradigmater call it word of mouth through the media called the electronic word of mouth through social media is done by giving a review of the product, provide recommendations to other consumers or just to share the experience. The Bakso Boedjangan has its own characteristics which are selling various menu Bakso with different flavors or contents, and various other companion menu. Target marketing Bakso Boedjangan are among adolescents using social media. Through social media is growing electronic word of mouth. Based on the survey results by the researchers to the 30 respondents who visited the Bakso Boedjangan states that 60% of respondents came Bakso Boedjangan as influenced by social media. While the rest influenced by friends or relatives. It can be seen that the majority of consumers Bakso Boedjangan decided to try the products affected by the preference they get from social media. This is an advantage for Bakso Boedjangan because consumers have a great preference to electronic positive word of mouth about a product. Viewing data on the number of visitors there is an increase from the month of May 2016 until August 2016, showed that an increase in the number of visitors who probably influenced the marketing strategy undertaken by Bakso Boedjangan one of which is electronic word of mouth. Based on the description that has been delivered, hence the title of this



research is "The Effect of Electronic Word of Mouth (E-WOM) on Consumer Purchasing Decisions at Bakso Boedjangan Bandung". And from backgrounds that have been described, the obtained problem as follows:

- 1. How Electronic Word of Mouth as a media campaign in Bandung Bakso Boedjangan?
- 2. How purchase decisions on Bakso Boedjangan Bandung?
- 3. How much influence Electronic Word of Mouth on purchase decisions in Bakso Boedjangan Bandung?

2. BASIC THEORY AND RESEARCH METHODOLOGY

2.1 Electronic Word of Mouth

According to Gruen (2006: 6) electronic word of mouth is a medium of communication to share information about a product or service that has consumed among consumers who do not know each other and met before. In his research Goyette et al (2010: 11) on the electronic journal that focuses on positive word of mouth. They stated that the dimensions of electronic word of mouth (e-WOM) positively reflected through three dimensions:

1. Intensity

Intensity in eWoM are many opinions written by consumers in a social networking site. Indicators of intensity, namely:

- a. Frequency of access to information from social networking sites.
- b. Frequency of interaction with the social networking site users.
- c. The number of reviews written by users of social networking sites.

2. Valance of Opinion

Is the opinion of consumers either positive or negative about products, services, and brand. Valance of Opinion has two properties that is both negative and positive. Valance of opinion include:

- a. Positive recommendations from users of social networking sites.
- b. Complaints from users of social networking sites.

3. Content

Is the information content of social networking sites relating to products and services. Indicators of content include:

- a. Information variety of food and beverages.
- b. Information quality (taste, texture, and temperature) food and beverage.
- c. Information on the price offered.

2.2 Purchase Decision

According to Armstrong and Kotler (2008: 151) the purchase decision is a decision to make a purchase includes what to buy, when they want to buy, the way how to buy and where to buy. Purchasing decision becomes an important thing to note because it would be a consideration of how the marketing strategy will be made by the next company (Syharno, 2010: 33).

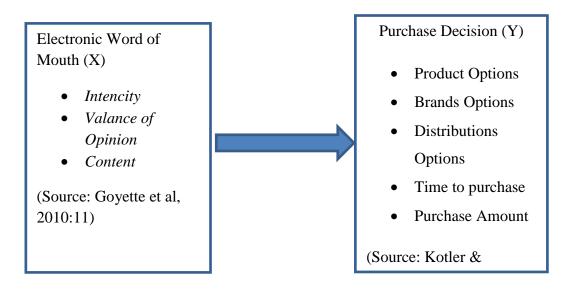
2.3 The Electronic Word of Mouth on the Purchase Decision

According to Bashar, Ahmad (2012) Social media is very capable of providing information and influence purchasing decisions, this is due to the current social media users more reliant on peer opinion or any other party ari on direct marketing strategy of the company in their purchasing decisions.

2.4 Framework

The framework of this study can be seen in Figure 2.1 below:





Picture 2.1 Framework

Source: Diadopsi dari Goyette et al. (2010:10) and Kotler & Amstrong (2008:158)^[3]

2.6 Research methodology

2.6.1 Types of research

This type of research is descriptive and causal. The method used quantitative methods. Quantitative method is a form of scientific research that examines one form of the problem of a phenomenon, as well as looking into possible links or relationships between variables in the problem set. Association or relationship in question may be either causality or functional (Sanusi, 2011: 3) [4].

2.6.2 Population and Sample

The study population is consumer Bakso Boedjangan where the numbers are known through interviews with internal parties that provide data Bakso Boedjangan Bakso Boedjangan visitors from May 2016 - August 2016. So the authors use the technique of sample by using formula Slovin. With the error rate or (e) it is known that the sample in this study of 100 people. The samples in this study conducted by probability sampling.

2.6.3 Data analysis technique

Data analysis using descriptive analysis and simple linear regression. Simple linear regression equation used in this study are as follows:

$$\mathbf{Y} = \boldsymbol{\alpha} + \boldsymbol{\beta} \mathbf{X}$$

Information:

Y = Puschase Decision

 $\alpha = constants$

 β = Regression coefficients

X= electronic word of mouth

3. RESULTS AND DISCUSSION

3.1 Descriptive Analysis

Descriptive analysis was done by dividing the total score by the score of the acquisition on the questionnaire answers. Percentage of respondents to variable electronic word of mouth (X) is



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69.1% which is in line continuum including high category. And the percentage of overall consumer purchasing decisions by 73.6% which is in line continuum including high category.

3.2 Simple Linear Regression Analysis

Based on the data processing SPSS 22 then the regression equation as follows:

$$Y = \alpha + \beta X$$

The above equation can be interpreted as follows:

- a. A constant value of 1.321 states that if there is no increase in the value of the variable X, then the value of Y is 1,321.
- b. The value of X is positive regression coefficient of 0.571 states that the variable X has a unidirectional relationship with Y and every one-unit increment Electronic Word of Mouth (X) will affect the increase in the purchasing decision.

3.3 Hypothesis Testing Results

a. Hypothesis Testing In Partial (T Test)

Table 3.1
The amount of Influence Partial

Coefficients^a Standardized **Unstandardized Coefficients** Coefficients Model R Std. Error Sig Beta 1.321 (Constant) .271 4.882 .000 Χ .571 .076 .603 7.480 .000

a. Dependent Variable: Y

Source: Data Processing, 2016

Testing the hypothesis partially variable electronic word of mouth (X)

- 1. H₀: Electronic Word of Mouth (X) has no significant effect on Decision Purchase (Y)
- 2. H_a: Electronic Word of Mouth (X) significantly affects the Decision Purchase (Y)

Based on Table 3.1 it can be seen that the value ttabel for n=100 (df = n-k-1) with a significant level (α) of 5% obtained ttabel 1.984. From the obtained data calculation touth for variable electronic word of mouth (X) of 7,480 and 1.984 ttabel. Due touth table, then H_0 rejected and H_0 accepted, meaning Electronic Word of Mouth (X) is partially significant effect on the purchase decision (Y).

3.4 Analysis of Results

This research was conducted by means of a survey of 100 respondents who knew Bakso Boedjangan Bandung, using a questionnaire. The questionnaire consists of statements related to electronic word of mouth on consumer purchase decisions on Bakso Boedjangan Bandung, have also been tested using validity and reliability test with the results of calculations and realiabel valid.

According to Gruen (2006: 6) electronic word of mouth is a medium of communication to share information about a product or service that has consumed among consumers who do not know each other and met before. Based on the results of the descriptive analysis of respondents electronic word of mouth on Bakso Boedjangan Bandung, the overall gain value percentage of 69.1% included in either category.

According to Armstrong and Kotler (2012: 151) the purchase decision is a decision to make a purchase includes what to buy, when they want to buy, in what way to purchase and where to buy.



Purchasing decision becomes an important thing to note because it would be a consideration of how the marketing strategy that will be done by the next company (Suharno, 2010: 33). Judging from the descriptive analysis of the overall consumer purchase decisions get an average percentage of 73.6% included in either category. It is proved that the respondent had the Bakso Boedjangan Purchase Decision.

In this study all the variables have been eligible for the regression model has escaped from the classical assumption test using normality test, heteroscedasticity. In this study, using simple linear regression with SPSS 22 for data processing.

Based on the test results T (partial), the influence of the independent variable is electronic word of mouth (X), a significant effect on purchase decisions (Y) seen from the significant value of 5%, obtained t_{tabel} 1.984. From the obtained data calculation tount for variable electronic word of mouth (X) of 7,480 and 1.984 t_{tabel} . Due $t_{count} > t_{table}$, then H_0 rejected and H_a accepted, meaning Electronic Word of Mouth (X) is partially significant effect on the purchase decision (Y).

4. CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions

Based on the research and pembahsan accompanied by supporting theories about the influence of electronic word of mouth (E-WOM) on consumer purchasing decisions Bakso Boedjangan Bandung, it can be concluded that it can be used to answer the problem formulation as follows:

- 1. Electronic word of mouth is used as a promotional medium Bakso Boedjangan Bandung, as a whole in the eyes of respondents obtained a total score of 69.1%. The highest item on the variable electronic word of mouth is through social media can recommend the Bakso Boedjangan to others. Based on the overall analysis of the descriptive variable electronic word of mouth, show that the Bakso Boedjangan successfully implement electronic word of mouth as one of the strategies in developing their business.
- 2. Purchasing Decisions at Bakso Boedjangan obtain a total score of 73.6%. The highest item on the purchase decision variables Bakso Boedjangan is Bakso Boedjangan to have a memorable name. Based on the overall analysis of descriptive variables purchase decision shows that the purchase of Bakso Boedjangan pretty good, overall the items on the purchase decision variable (Y) stating that the item supports the person making purchasing decisions.
- 3. Effect of electronic word of mouth on purchasing decisions on Bakso Boedjangan Bandung. Based on this research, electronic word of mouth have significant influence on purchasing decisions. The amount of electronic word of mouth influence on purchasing decisions by 36,36%.

4.2 Suggestions

a. Suggestions for companies

- More information is complete, clear, and interesting about the product, price, location, and promotions in Bakso Boedjangan. So that consumers will often access to social media information regarding Bakso Boedjangan. Providing a forum on social media in communicating the complaint so Bakso Boedjangan can receive feedback to improve performance for the better.
- 2. Improve the purchasing decisions with promotions such as giving discounts at certain times. Provide special menus on a particular issue or moment so Bakso Boedjangan has a diverse menu variety and attract consumers to select more than one menu, as was curious about the special edition menus that are not supplied continuously.
- 3. The small percentage of electronic word of mouth influence on purchasing decisions, companies can improve other aspects to improve purchasing decisions. There are several factors that can influence the purchase decisions of which are as store atmosphere, store layout and interior display.

b. Suggestions for Further Research



This study only limit the influence of electronic word of mouth on purchasing decisions on Boedjangan Bakso Bandung. For further research is advisable to do some research to include other variables outside the electronic word of mouth or purchasing decisions such as store atmosphere or store layout and display so as to provide knowledge in marketing.

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