The Effect of Electronic Word of Mouth (E-WOM) on Buying Decision Consumer for Fashion Products on Instagram

Muhammad Fahmi Ramadhan[1], Dini Sundani[2]

[1],[2]Information Systems Management, Postgraduate Program, Gunadarma University, Jakarta, Indonesia

Margonda Raya Street Number 100, Depok, East Java, 16424

Email Address: mfahmiramadhan14@gmail.com

Abstract— *The development of information technology shows progress so rapidly, one of which is the increasing number of Instagram social media users as a means to market and sell a product or launch a new product. On Instagram, consumers can easily find a product they are looking for. However, consumers are expected to always be careful and thorough in seeking information and transacting to minimize the occurrence of fraud. The right information expected by consumers can certainly increase trust and can influence consumer decisions in purchasing products or online stores to buy and go to. Electronic Word of Mouth (E-WOM) is an information in the form of reviews or testimonials given by consumers. In this study, the authors analyze the effect of E-WOM based on the variables of intensity, content, positive and negative opinions on consumer decisions in purchasing fashion products on Instagram to find out how much effect the variables E-WOM have on consumer decisions to make buy a product on Instagram. The research stages consist of data collection, data processing and data analysis. Data was collected by distributing questionnaires, processing data using multiple linear regression techniques and the results of the analysis showed that partially, the effect of intensity (X_1) on purchasing decisions (Y) was 20.8%. The effect of positive and negative opinions (X_2) on purchasing decisions (Y) is 15.8%. The effect of content (X_3) on purchasing decisions (Y) is 52.3%. Simultaneously, the effect of E-WOM on consumer decisions in purchasing fashion products on Instagram is 53.6%.*

Keywords— *E-WOM: intensity; opinion; content; decision; buying; Instagram.*

I. INTRODUCTION

Currently the development of information technology shows progress so rapidly, one of which is the large number of internet activities that are used in all fields. Internet users in Indonesia in early 2021 reached 202.2 million people. This number increased by 15.5 percent or around 27 million people from 2020 with a total population of Indonesia currently recorded at 274.9 million people, which means that the penetration of active internet users in Indonesia reaches 73.7 percent [1].

Currently, social media plays a very important role in supporting various activities, one of which is as a means for consumers to share text, image, video, and audio information with each other and with companies or vice versa [2]. In a survey, it was stated that out of a total of 274.9 million people in Indonesia, 170 million of them have used social media, which means that the penetration rate is around 61.8 percent. the number of social media users in Indonesia increased by around 10 million people or 6.3 percent compared to January 2020 [3].

This increase in the number of social media users can be caused by the fact that today's society makes social media not only a tool for communication, but also a means for promotion of an online store business. Online shop owners use social media to market their products or launch new products.

Instagram is one of the most popular social media today, which is used to find information to carry out a buying and selling business process. Instagram being one of the social media with the most users is a big market opportunity in advertising and sales [4].

Its use as social media for buying and selling businesses is quite easy, namely by registering an account, uploading an image or video of a product to be marketed accompanied by a product description, as well as the price of the product so that consumers can easily see the products offered through images. the. However, consumers are expected to always be careful and thorough in seeking information and transacting to minimize the occurrence of fraud.

Information that is in accordance with what is expected by consumers can certainly increase consumer confidence in the product or online store that will be purchased and headed. The information sought is usually in the form of reviews or testimonials given by other consumers, or called E-WOM [5]. After finding out information related to what they are looking for, it is hoped that it can influence consumer decisions in making product purchases.

II. THEOROTICAL BASIC

E-WOM is a positive or negative statement or opinion that is poured through the internet media about a product from consumers who have bought the product first which can influence the decision of other consumers to buy the product or not.[6]. Goyette (2010) divides E-WOM into three dimensions, namely: intensity, positive and negative opinions, and content [7].

A buying decision is a decision because of the interest felt by a person towards a product, and wants to buy, try, use, or own the product [8]. Aspects in making purchasing decisions to find out how consumers make decisions to buy are using the theory according to Swastha (1998) as follows: rational, emotional, behavioral [9]. Setiadi (2013) revealed that the purchasing decisions of buyers are strongly influenced by the

following factors: cultural factors include culture, sub-culture, social class; social factors include reference groups, family, roles and status; personal factors include age and stages in the life cycle, occupation, economic circumstances, personality and self-concept; psychological factors include motivation, perception, learning process, beliefs and attitudes [10].

III. METHODOLOGY

There are 3 stages of research described in the research chart: data collection, data processing and analysis.
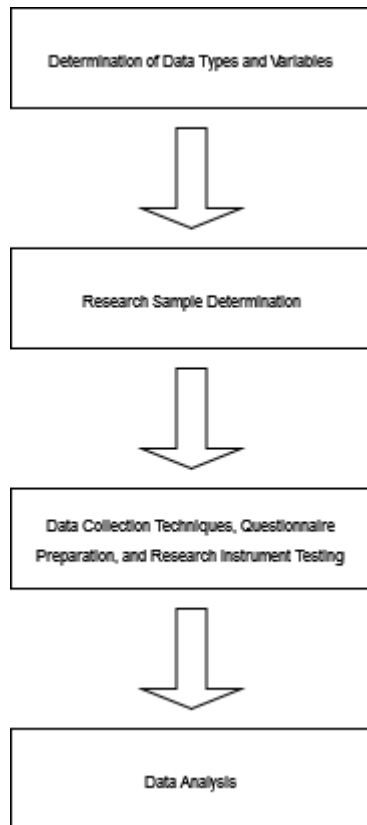

Fig. 1. Research Stages.

A. Data collection

The data collection technique used in this study is a closed questionnaire, where answers have been provided in the form of choices using a Likert Scale model consisting of 6 measurement scores as shown in the table below:

TABLE I. Likert scale.

No.	Alternative Answer	Favorite Item Score	Unfavourable Item Score
1	Strongly agree	6	1
2	Agree	5	2
3	Slightly Agree	4	3
4	Slightly Disagree	3	4
5	Disagree	2	5
6	Strongly Disagree	1	6

The questionnaire was created using the Google Form application and distributed to 100 respondents who have become followers on Instagram. The question items contained in the questionnaire are taken from the E-WOM variable and consumer decisions in making purchases. E-WOM variable indicators are measured using a scale developed by Goyette based on three dimensions of E-WOM, namely intensity, positive and negative opinions, and content [7].

The relationship between E-WOM variables on purchasing decisions is shown in Figure 2:
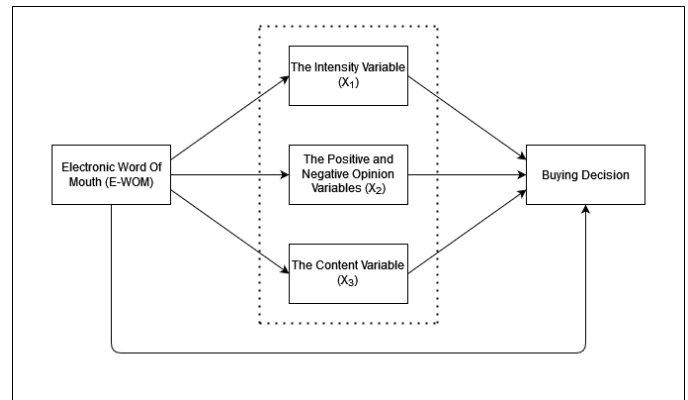

Fig. 2. Research Framework

The E-WOM variable contains 19 statement items. This scale has response categories ranging from Strongly Disagree to Strongly Agree and a score range of 1-6. While the indicators in the consumer to buying decision variables are measured using a scale based on three aspects of Swastha, namely: rational, emotional, and behavioral [9]. This buying decision variable contains 30 statement items. The results of the validity test on the intensity variables, positive and negative opinions, content and purchasing decisions are shown in table II:

TABLE II. The Result of Validity

No.	Item Statement	Description
Intensity		
1	Item 1	Valid
2	Item 2	Valid
3	Item 3	Valid
Positive and Negative Opinions		
4	Item 4	Valid
5	Item 5	Valid
6	Item 6	Valid
7	Item 7	Valid
8	Item 8	Valid
9	Item 9	Valid
10	Item 10	Valid
11	Item 11	Valid
Content		
12	Item 12	Valid
13	Item 13	Valid
14	Item 14	Valid
15	Item 15	Valid
16	Item 16	Valid
17	Item 17	Valid
18	Item 18	Valid
19	Item 19	Valid
Buying decision		
20	Item 1	Valid
21	Item 2	Valid
22	Item 3	Valid

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No.	Item Statement	Description
23	Item 4	Valid
24	Item 5	Valid
25	Item 6	Valid
26	Item 7	Valid
27	Item 8	Valid
28	Item 9	Valid
29	Item 10	Valid
30	Item 11	Valid
31	Item 12	Valid
32	Item 13	Valid
33	Item 14	Valid
34	Item 15	Valid
35	Item 16	Valid
36	Item 17	Valid
37	Item 18	Valid
38	Item 19	Valid
39	Item 20	Valid
40	Item 21	Valid
41	Item 22	Valid
42	Item 23	Valid
43	Item 24	Valid
44	Item 25	Valid
45	Item 26	Valid

While the results of the reliability test on the intensity variables, positive and negative opinions, content and buying decisions are shown in table III.

TABLE III. The Result of Reliability

No.	Variable	Value of Cronbach Alpha	Description
1	Intensity (X_1)	0,820	Reliable
2	Positive and Negative Opinions (X_2)	0,760	Reliable
3	Content (X_3)	0,888	Reliable
4	Buying Decision (Y)	0,915	Reliable

B. Data processing

At this stage, data processing is carried out using the classical assumption test and multiple linear regression. The assumptions test used in this study were: normality test, multicollinearity test, and heteroscedasticity test. Multiple linear regression test was carried out by: t test, analysis of the coefficient of determination, and F test. The purpose of multiple linear regression analysis was to test the effect of intensity (X_1), positive and negative opinions (X_2), and content (X_3) on buying decisions. (Y) partially or simultaneously.

C. Data analysis

Data analysis was conducted to determine the effect of the E-WOM variable partially and simultaneously on buying decisions based on the results of data processing.

IV. RESULTS AND DISCUSSION

The interpretation of the regression model equation: there is an effect of intensity on buying decision. The intensity value has a very significant influence on buying decision, where p = 0.000 (<0.01) and the R_2 value is 0.208. Thus, there is an effect of intensity on buying decisions of 20.8%. The intensity variable (X_1) has a T_{count} value of $5.070 < T_{table}$ value 1.660 which means that the intensity variable partially affect consumer decisions in making purchases (Y).

TABLE IV. Multiple Linear Regression Test

No.	Variable	T_{count}	T_{table}	R Square	Sig.	Description
		Constanta = 42,033				
1	Intensity on buying decisions	5,07	1,66	0,208	0,000	Take effect
2	Positive and negative opinions on buying decisions	4,295	1,66	0,158	0,000	Take effect
3	Content on buying decisions	10,536	1,66	0,523	0,000	Take effect
No.	Variable	F_{count}	F_{table}	R Square	Sig.	Description
1	Intensity, positive and negative, and content on buying decision	36,982	2,141	0,536	0,000	Take effect

There is an effect of positive and negative opinions on buying decisions. The value of positive and negative opinions has a very significant influence on buying decisions, where p = 0.000 (<0.01) and the R_2 value is 0.158. Thus, there is an effect of positive and negative opinions on buying decisions of 15.8%. The positive and negative opinion variables (X_2) have a T_{count} value of $4.295 < T_{table}$ value 1.660 which means that the positive and negative opinion variables partially affect consumer decisions in making purchases (Y).

There is an effect of content on buying decisions. The content value has a very significant influence on purchasing decisions, where p = 0.000 (<0.01) and the R_2 value is 0.523. Thus, there is an influence of content on buying decisions by 52.3%. The content variable (X_3) has a T_{count} value of $10.359 < T_{table}$ value 1.660 which means that the content variable partially affect consumer decisions in making purchases (Y).

There is an effect of intensity, positive and negative opinions and content together on consumer decisions in making purchases. The value of intensity, positive and negative opinions and content have a very significant influence on buying decisions, where p = 0.000 (<0.01) and the R_2 value is 0.536. Thus, there is a simultaneous influence of intensity, positive and negative opinions and content on buying decisions of 53.6%. The linear regression model equation that is formed is the predictive value of the independent variables that affect the buying decision of fashion products on Instagram social media. F_{count} 36.982 > F_{table} 2.141, the intensity variable (X_1), positive and negative opinion (X_2), and content (X_3) simultaneously affect consumer decisions in making purchases (Y). The results of the interpretation of the regression model can be concluded that content is the dominant variable that affect consumer decisions in buying fashion products on Instagram.

V. CONCLUSION

Based on the results of the analysis, partially and simultaneously the E-WOM variable has an effect on buying

decisions. The results of the analysis show that partially the intensity variables, positive and negative opinions, content affect consumer decisions in buying fashion products on Instagram, respectively are 20.8% for the intensity variable, 15.8% for the positive and negative opinion variables, and 52.3% for the content variable. Meanwhile, the overall E-WOM variable has an effect on consumer decisions in buying fashion products on Instagram by 53.6%.

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