

The Influence of Electronic Word of Mouth (e-WOM) and Brand Awareness on Purchase Decision

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Abstract

The purpose of this study was to determine the effect of electronic word of mouth and brand awareness on purchasing decisions for Hanasui lipstick products in Malang City. This study uses quantitative research. The population of this study were consumers who had used or bought Hanasui lipstick products in Malang, and the sample was 100 respondents who had bought or used Hanasui lipstick products. Data collection techniques in this study used questionnaires distributed to respondents. The analysis technique used is multiple regression analysis and hypothesis testing using the t-test and F-test, using the SPSS analysis tool. The results of this study indicate that electronic word of mouth has a positive effect on purchasing decisions, brand awareness has a positive effect on purchasing decisions, and electronic word of mouth and brand awareness simultaneously have an effect on purchasing decisions.

Keywords: Brand Awareness, Electronic Word of Mouth, Purchase Decision

Abstrak

Tujuan dari penelitian ini adalah untuk mengetahui pengaruh electronic word of mouth dan brand awareness terhadap keputusan pembelian produk lipstick Hanasui di Kota Malang. Penelitian ini menggunakan penelitian kuantitatif. Populasi penelitian ini adalah konsumen yang pernah menggunakan atau membeli produk lipstick Hanasui di Malang, dan sampelnya adalah 100 responden yang pernah membeli atau menggunakan produk lipstick Hanasui. Teknik pengumpulan data dalam penelitian ini menggunakan kuesioner yang dibagikan kepada responden. Teknik analisis yang digunakan adalah analisis regresi berganda dan pengujian hipotesis menggunakan uji-t dan uji-F, dengan menggunakan alat analisis SPSS. Hasil penelitian ini menunjukkan bahwa electronic word of mouth berpengaruh positif terhadap keputusan pembelian, brand awareness berpengaruh positif terhadap keputusan pembelian, dan electronic word of mouth dan brand awareness secara simultan berpengaruh terhadap keputusan pembelian.

Kata Kunci: Kesadaran Merek, Electronic Word of Mouth, Keputusan Pembelian

INTRODUCTION

Increasingly sophisticated technological developments have helped the public in accessing various information from various digital platforms. One example is when they want to buy a product or

Article info

Received (25/03/2023)

Revised (15/04/2023)

Accepted (20/05/2023)

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use a service, consumers tend to see reviews of the product or service. This activity can be done via the internet such as social media, websites, blogs, and others. With the aim to buy online or in person at the store. Based on data from Katadata, the number of internet users in Indonesia is increasing from year to year, where in 2021 there are 202.2 million using the internet, then in 2022 there will be an increase of 204.7 million using the internet. This means that the internet penetration rate in Indonesia will reach 73.7% of the total population in early 2022 (Mutia, 2022).

One of the industries in the market that is experiencing competition in marketing their products in order to win over consumers is the cosmetics and body care market industry. The emergence of new businesses in the field of cosmetics and body care poses a new threat to other business players, so companies must develop their products to gain market share. To expand its market share, the company has an important asset, namely the *brand*. The market share that is increasing rapidly makes brand existence very important in today's business world because the presence of a brand can attract the attention of consumers this can which consumers curious about a product that is produced with a certain brand which will increase consumer purchasing decisions. Based on data from the Central Statistics Agency (BPS) in 2021 the growth of the chemical, pharmaceutical, and traditional medicine industries including cosmetics will grow 5.59% (Rizaty, 2021). The cosmetics and body care industry, which continues to increase from year to year, provides ample opportunities for companies wishing to enter this industry. The growing cosmetic industry provides consumers with various choices, especially women. The number of new products that have sprung up on the market will create high competition between producers, so this requires manufacturers to continue to innovate so that their products have advantages that are different from competitors' products.

PT. Eka Jaya Internasional is a manufacturing company engaged in the cosmetic sector. One of the brands is Hanasui *Cosmetics*. Hanasui is a beauty brand consisting of facial, body, and hair care. Hanasui has always been synonymous with cosmetics for young people or teenagers, this can be seen from the products that are always made according to the needs and desires of young people. However, lately, Hanasui has been launching new cosmetic products more frequently and has made various innovations to its lipstick products. This is done because the cosmetic product that is most in demand or the most widely used by the public today is lipstick. Lip products rank first as cosmetic products that are frequently used, as much as 97%. Then followed by advanced products as much as 93%. Then there are eye products as much as 88%. And finally, there are 86% of eyebrow and eyelash products. This data shows that the most widely used and popular product in Indonesia is lipstick. A person's purchasing decision is initially influenced by the environment, culture, family, and so on which will later form a trait in the individual so that they will then make purchases (Alma (2014). Consumer purchasing decisions will determine how big the company's existence is. Consumers play an important role in the success of a company in creating a product and service that in this case the company must also know what the needs and desires of consumers are. Therefore, having an advantage has become a necessity for business people to be a differentiator from competitors so that later they can attract consumers to just know, then try and make a decision to buy. Purchase decisions can be influenced with the help of *electronic word of mouth* and brand awareness.

Electronic word of mouth is a form of marketing communication that utilizes technological advances by sharing information through social media Jalivand & Samiei (2012). In online purchases, consumers usually read reviews first, both positive comments and negative comments before deciding to buy a product. This is a way to overcome the risks that will be received when shopping *online*. Examples include reviews or *reviews* made by consumers on social media such as Instagram, Facebook, WhatsApp, *Blogs*, Youtube, *websites*, TikTok, and other digital platforms which are an important force

in marketing. This means that reviews or E-WOM have a strong influence on consumer behavior. who shop *online* in *e-commerce* (Anisa, 2020). Influence referred to as ratings, reviews, experiences, or consumer comments both positive and negative for a product. In today's sophisticated era, E-WOM (*electronic word of mouth*) is considered very effective because of the ease of access and wider coverage. The existence of E-WOM has a good impact on consumers to be able to reconsider before purchasing a product.

In addition, what can influence consumers before making a purchase is awareness of a brand. According to Aaker (1997), brand awareness *is* the ability of a brand to survive in the minds of customers. This ability is shown by customers by remembering and knowing a brand. Meanwhile, according to Keller (1993), brand awareness influences customer purchasing decisions, because brands are very easily recognized and remembered by customers so that they stick in memory (*memory*). In other words, the higher the brand awareness of a product, the easier it will be to find information and get to know the product, the consumer's buying interest in products with a brand will increase because the brand becomes a brand that is remembered. This research was conducted with the aim of knowing how the influence of *electronic word of mouth* and brand awareness on purchasing decisions for Hanasui lipstick products in Malang City.

LITERATURE REVIEW

According to Kotler and Keller (2009), purchasing decisions are the process of selecting and determining products and services by consumers. Where in the process of determining these products and services consumers have hopes of meeting consumer needs and satisfaction. Meanwhile, if consumers do not get satisfaction in making purchase decisions, consumers will seek information from other sources until they find the information they need. This process will continue to be repeated until consumers find and feel satisfied with the decisions taken. In addition, the purchasing decisions made by consumers are also based on a strong sense of self-confidence that convinces them that the purchasing decisions made are correct. According to Kotler (2012) purchasing decisions can be measured by several indicators, namely the stability of a product, the habit of buying a product, and the speed of buying a product.

According to Goldsmith (2008) electronic word of mouth (e-WOM) is social communication on the internet where people send and receive information related to products online. e-WoM according to Kotler and Keller (2016) is a form of both negative and positive communication made by honest consumers, capable consumers and former users of products or services related to goods or services sold by companies via the internet. So it can be concluded that e-WoM is a form of social communication carried out by consumers using the internet where consumers can convey information and receive information about a product or service sold by a company via the internet. According to Jalivand & Samaiei (2012) electronic word of mouth can be measured by several indicators, namely reading other consumers' online reviews, collecting information from reviews via the internet, consulting online, feeling worried if you don't reading online reviews before purchasing, and increased self-esteem after reading online reviews.

Brand awareness is defined as consumer awareness of the existence of a brand in their minds when consumers think of a product category and the name is easy to remember for that category Ferrinadewi (2008). Brand awareness is one of the reasons for consumers to buy a product or in other words it is a determining factor in purchasing decisions based on the results of the information obtained.

In building brand awareness so that it can appear in the minds of consumers, it takes quite a long time because pronunciation can be successful with continuous or continuous reinforcement and repetition. According to (Keller, 1993) brand awareness can be measured by several indicators, namely consumers understand what the brand is like, can recognize brands among competing brands, are aware of the existence of brands, consumers imagine brand characteristics quickly, and consumers quickly recognize logos or brand symbols.

According to Kotler and Keller (2016) e-WoM is a form of both negative and positive communication made by honest consumers, capable consumers and former users of products or services related to goods or services sold by companies via the internet. This is in accordance with research of Galuh (2021) which states that e-WOM has a significant effect on product purchasing decisions. Based on these findings, the researcher proposes the following hypothesis:

H₁ : Electronic Word of Mouth (X_1) influences purchasing decisions (Y)

According to Aaker (1997) , brand awareness *is* the ability of a brand to survive in the minds of customers. This ability is shown by customers by remembering and knowing a brand. Brands that are embedded in consumer memory can influence the decision to purchase products from that brand. This is in accordance with research conducted by Fine *et al.* , (2022) which found that brand awareness has a positive effect on purchasing decisions for Maybelline lipstick products in Sidoarjo Regency. Based on these findings, the researcher proposes the following hypothesis:

H₂ : Brand awareness (X_2) has an effect on purchasing decisions (Y)

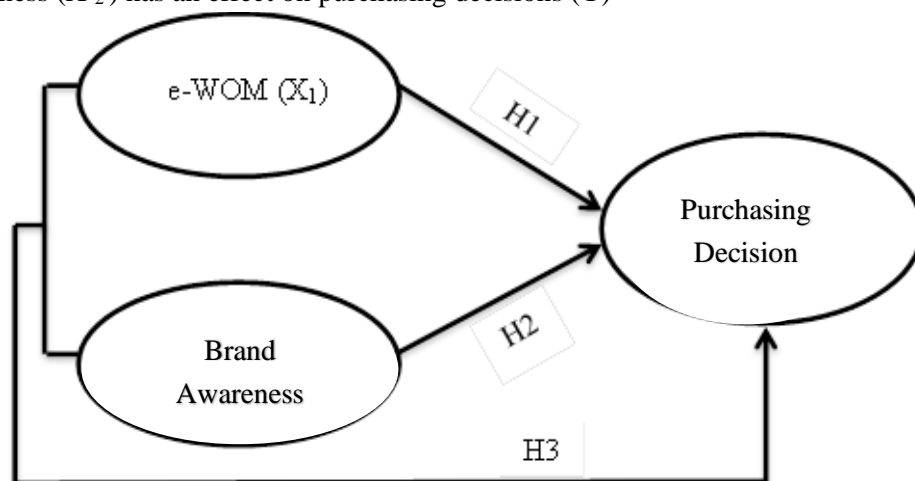


Figure 1. Research Framework Model

RESEARCH METHODS

This type of research is quantitative, namely looking for relationships between variables by collecting data in the form of numbers using statistical analysis through hypothesis testing (Sugiyono, 2020). This study uses two variables including the independent variables namely electronic word of mouth and brand awareness and the dependent variable is the purchase decision. The population in this study were consumers who had bought and used Hanasui lipstick products in Malang City. The number of samples that can be used as respondents is 100 respondents. The criteria for respondents were having bought and used Hanasui lipstick products, women domiciled in Malang City and at least 15 years old. Data collecting in this study using a questionnaire via google form using Likert scale. This study used

SPSS to test the instruments, namely the validity test and reliability test and used multiple linear regression analysis, to find out how the effect of the independent variables on the dependent variable.

RESULTS AND DISCUSSION

Respondent characteristics based on age the most are respondents who aged 19-21 years with a total of 59 respondents (59%). Respondent most of them are respondents who have a job as students or students amounted to 87 respondents (87%), while the fewest respondents are respondents who working as employees amounted to 13 respondents (13%).

Table 1. Characteristics of Respondents

| Characteristics | Information | Frequency (person) | Percentage |
|-----------------|-------------|--------------------|------------|
| Age | 16-18 years | 7 | 7% |
| | 19-21 years | 59 | 59% |
| | 22-24 years | 31 | 31% |
| | >24 years | 3 | 3% |
| Job Status | Student | 87 | 87% |
| | Employee | 13 | 13% |

Source: Primary Data Processed (2022)

Table 2. Validity Test Result

| Variable | Item Code | R count | R table | Note |
|---|-----------|---------|---------|-------|
| <i>Electronic Word of Mouth</i> (X_1) | X1.1 | 0.653 | 0.1966 | Valid |
| | X1.2 | 0.660 | 0.1966 | Valid |
| | X1.3 | 0.515 | 0.1966 | Valid |
| | X1.4 | 0.755 | 0.1966 | Valid |
| Brand Awareness (X_2) | X2.1 | 0.735 | 0.1966 | Valid |
| | X2.2 | 0.581 | 0.1966 | Valid |
| | X2.3 | 0.731 | 0.1966 | Valid |
| | X2.4 | 0.790 | 0.1966 | Valid |
| | X2.5 | 0.733 | 0.1966 | Valid |
| Purchase Decision (Y) | Y. 1 | 0.821 | 0.1966 | Valid |
| | Y.2 | 0.790 | 0.1966 | Valid |
| | Y.3 | 0.762 | 0.1966 | Valid |

Source: Primary Data Processed (2023)

Based on table 2, the question items used to measure *electronic word of mouth variables*, brand awareness and purchasing decisions have an r count greater than 0.196. This means that the variables of *electronic word of mouth* (X_1), brand awareness (X_2) and purchasing decisions (Y) are declared valid.

Table 3. Reliability Test Results

| Variable | Alpha Cronbach | Information |
|-----------------|----------------|-------------|
| EWOM | 0.800 | Reliable |
| Brand Awareness | 0.834 | Reliable |
| Buying decision | 0.879 | Reliable |

Source: Primary Data Processed (2023)

Based on table 3 it is known that all items in the *electronic word of mouth variable* (X_1) have a Cronbach Alpha value of 0.800, brand awareness (X_2) of 0.834, and purchase decision (Y) of 0.879.

That is, the results of the tests carried out show that each variable has a *Cronbach Alpha value* greater than 0.60 so that it can be declared reliable.

Table 4. Normality Test Results

| One-Sample Kolomogrov-Smirnov Test | | Unstandardized Residual |
|------------------------------------|----------------|-------------------------|
| N | | 100 |
| Normal Parameeters | Mean | .0000000 |
| | Std. Deviation | 1.81176509 |
| | Absolute | .053 |
| Most Extreme Differences | Positive | .053 |
| | Negative | -.043 |
| Test Statistic | | .525 |
| Asymp. Sig. (2-tailed) | | .945 |
| a. Test distribution is Normal. | | |
| b. Calculated from data. | | |

Source: Primary Data Processed (2023)

Based on table 4.9 it is known that the magnitude of the significance value Asymp. sig. (2-tailed) is 0.945 greater than 0.05. So that it can concluded that the data is normally distributed.

Table 5. Multikolinearity Test Results

| Model | | Colinearity Statistics | | Conclusion |
|-------|-----------------|------------------------|-------|-----------------------------|
| | | Tolerance | VIF | |
| 1 | (Constant) | | | |
| | EWOM | .586 | 1.701 | Free from multicollinearity |
| | Brand Awareness | .586 | 1.701 | Free from multicollinearity |

Source: Primary Data Processed (2023)

The tolerance value for the E-WOM variable is $0.586 > 0.10$. And VIF value $1.707 < 10$. So it can be concluded that no there are symptoms of multicollinearity in the regression of the E-WOM variable. Tolerance value for brand awareness variable is $0.586 > 0.10$. And the VIF value is $1.707 < 10$. So, it can be concluded that no there are symptoms of multicollinearity in the regression of brand awareness variables

Table 6. Multiple Linear Regression Analysis

| Model | | Coefficients ^a | | | | |
|-------|-----------------|-----------------------------|------------|-----------------------------|--------|------|
| | | Unstandardized Coefficients | | Unstandardized Coefficients | t | Sig. |
| | | B | std. Error | Betas | | |
| 1 | (Constant) | -2,761 | 1,357 | | -2,034 | .045 |
| | EWOM | .223 | .102 | .194 | 2,184 | .031 |
| | Brand Awareness | .486 | .072 | .602 | 6,778 | .000 |

Source: Primary Data Processed (2023)

Based on the results of the study, it showed that the E-WOM variable had a positive effect on the decision to purchase Hanasui lipstick. This shows that the better the electronic word of mouth, the higher the influence on the decision to purchase Hanasui lipstick, meaning that good reviews about Hanasui lipstick can be one of the consumer considerations in making purchasing decisions. According

to (Yulindasari & Fikriyah, 2022) electronic word of mouth (E-WOM) is an activity that is usually carried out through social media by providing positive and negative comments or reviews to other consumers or simply sharing experiences after buying and using a product.

The results of this study are in line with Rif'atul & Endang (2022) in his research showing that E-WOM has a positive and significant effect on purchasing decisions. So it can be concluded that in using E-WOM, effective communication must be carried out, especially on social media or other digital platforms, such as consumers using good, honest and easy-to-understand language in giving a review or comment about a product. Based on the results of the study, it shows that brand awareness has a positive effect on purchasing decisions. This means that the better brand awareness of a product will have a good effect on consumer purchasing decisions because if a brand is firmly entrenched in the minds of consumers, product purchasing decisions will increase accordingly. The results of this study indicate that Hanasui lipstick consumers in Malang City are able to realize and recognize well the existence of the Hanasui brand in their minds. According to Fine *et al.* (2022) brand awareness has a direct influence on consumer purchasing decisions. Where a brand that is firmly entrenched in one's mind can have a positive influence on the interest in buying products from that brand.

This research is in line with research conducted by Prahasti (2018) which examined the effect of brand image, brand awareness and perceived quality on purchasing decisions with brand loyalty as an intervening variable. The results of this study indicate that brand image, brand awareness and perceived quality have a positive effect on consumer purchasing decisions through brand loyalty. So it can be concluded that a brand that is able to attract the attention of consumers and can be embedded in the minds of consumers is able to influence the purchasing decision of a product.

CONCLUSION

The electronic word of mouth variable partially has a positive effect on purchasing decisions of Hanasui lipstick in Malang City. This matter means the better the electronic word of mouth (EWOM), then the decision to purchase Hanasui lipstick in Malang City is getting higher. Brand awareness partially has a positive effect on buying decision of Hanasui lipstick in Malang City. This is meaningful the higher the brand awareness, the decision to buy lipstick Hanasui in Malang City is getting higher. Electronic word of mouth and brand awareness simultaneously influences the decision to purchase Hanasui lipstick in the City Poor. This means the better the electronic word of mouth accept consumers and the higher brand awareness they have Hanasui consumer lipstick is able to influence the decision purchase of Hanasui lipstick in Malang City.

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