

The Role of Digital Marketing, Influencer Marketing and Electronic Word of Mouth (eWOM), on Online Purchase Decisions for Consumers of Private University Students in Bandung West Java

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ABSTRACT

The purpose of this study is to analyze the relationship of digital marketing to online purchasing decisions, Influencer Marketing to online purchasing decisions, electronic word of mouth (eWOM) to online purchasing decisions on consumers of private university students in Bandung. A quantitative approach is used in this study. This study used an online questionnaire as a primary data collection tool. Data were analyzed using descriptive statistical analysis, and PLS-PM (Partial Least Square-Path Modeling) with SmartPLS 3.0 software. The analysis was carried out on two submodels, namely the measurement model or the outer model and the structural model (structural model) or the inner model. The outer model shows how the manifest variable represents the latent variable it measures, while the inner model shows the power of estimation between latent variables. Goodness of fit structural model in PLS analysis is in the form of predictive-relevance value (Q2), which is calculated based on the coefficient of determination (R2) of each endogenous variable. Objects that will be used as respondents in this study are consumers who use e-commerce, namely consumers of private university students in Bandung. The variables observed in this study were digital marketing, influencer marketing and e-WOM. The number of samples was 190 consumer respondents from private universities in Bandung, the sampling technique used was purposive sampling. The respondent's criteria is that they have transacted using e-commerce. Collecting data by distributing questionnaires conducted online through social media to respondents. The results of this study are digital marketing has a positive effect on online purchasing decisions, Influencer marketing has a positive effect on online purchasing decisions, Electronic Word of Mouth (eWOM) has a positive effect on online purchasing decisions

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I. Introduction

According to Abraham et al. (2022) Consumptive behavior and ease of transaction for people of various circles are the reasons the e-commerce industry in Indonesia will continue to grow. And lifestyle can affect consumer behavior. Currently, Indonesia is experiencing the slowest economic growth in the last five years due to the Covid-19 pandemic. The implementation of micro-based Community Activity Restrictions (PPKM Mikro) in early 2021 has in fact changed consumer behavior in terms of shopping, where more and more consumers are accustomed to shopping through digital platforms in online networks. According to Chu et al. (2019) This phenomenon has finally encouraged the development of the e-commerce industry, which is actually getting faster in the midst of an economic slowdown. The trend of e-commerce users in Indonesia has grown quite large in recent years. Statistics notes that the number of e-commerce users in Indonesia in 2017

reached 139 million users, then increased by 10.8% to 154.1 million users in 2018. Predictions in the following years, growth will continue to occur to reach 212.2 million users in 2023. The e-commerce sector with the highest revenue is in the fashion product trade which in 2023 is projected to reach US\$ 11.7 billion. The behavior of e-commerce consumers in Indonesia is identified as impulsive consumers. In other words, Indonesian e-commerce consumers tend to buy products without any plans and usually like to act at the last moment. Online purchasing has become the preferred alternative for consumers to having to go to a store and spend time commuting to and from the store. According to Arif et al. (2019); Chu et al. (2019) Online impulse buying behavior is an integral aspect of e-commerce, due to increased competition among e-commerce companies. E-commerce companies must work harder to attract consumer spending by creating marketing stimuli to encourage impulse buying. Impulse buying occurs when consumers experience a sudden, often persistent urge to buy a product immediately. Furthermore, Purchase decision behavior is also driven by consumptive stimuli that contain information contained in product descriptions on internet media or in e-commerce websites is very limited and therefore additional information is needed such as electronic word of mouth (e-WOM) through consumer reviews in form of comments or recommendations in the e-commerce account. Currently, marketing through e-WOM has become a valid communication method in online marketing, due to the development of new technology which has enlarged the scale of interaction where consumers can share things they like in the form of comments and product reviews to friends and others through online media. . Furthermore, currently as many as 61% of consumers use e-WOM before buying any product and 80% of consumers are only willing to buy online after consulting with other online customers.

According to Abraham et al. (2022); Arif et al. (2019) Technological advances from the internet have led to changes in consumer lifestyles. The change in question is that consumers are starting to shift the way they shop for a product. Consumers are now more interested in online shopping activities. The development of e-commerce in Indonesia is increasing, people are slowly starting to abandon their conventional shopping habits and switch to shopping online. E-commerce is used as a solution as a buying and selling medium that can save time and costs. The ease with which e-commerce reaches local and foreign articles makes people more interested in buying and selling in e-commerce. Transactions are carried out without having to meet between sellers and buyers, buyers make purchases online.

Purchasing decisions are the stages taken by consumers before making a purchasing decision for a product or service, the purchase decision is the selection of two or more alternative purchasing decision options, meaning that a person can make a decision there must be several alternative choices. Online purchasing decisions are buying actions taken by consumers after going through a selection process, combining knowledge to evaluate two or more alternative behaviors. Choose one of the alternatives that have the strongest on personal character, vendor/service, website quality, attitude at the time of purchase, intention to buy online and make a decision. According to Candice (2022); Chu et al. (2019) Digital marketing is the use of the internet and the use of other interactive technologies to create and link information, which is used to transact digitally . This is supported by research According to Abraham et al. (2022); Arif et al. (2019) that has an effect on purchasing decisions. However, according to Pebrianti et al., (2020); Azizah (2020) that it has no significant effect on purchasing decisions. According to Pillay (2021); Plidtookpai. (2021); Purwanto, A. (2022); Purwanto et al. (2021) influencers are parties that significantly shape consumer purchasing decisions. Influencer marketing is also the process of identifying and activating individuals who have influence on a particular target audience to be part of a product campaign with the aim of increasing reach, sales and consumer relationships. Based on the research of Mensah et al. (2022); Morton, F. (2020) stated that the use of influencers significantly influences purchasing decisions. However, according to Pillay (2021); Plidtookpai . (2021); Purwanto, A. (2022); Purwanto et al. (2021); Purwanto et al. (2020) stated that the use of influencers or endorsers had no effect on purchasing decisions.

II. Methods

A quantitative approach is used in this study. This study used an online questionnaire as a primary data collection tool. Data were analyzed using descriptive statistical analysis, and PLS-PM (Partial Least Square-Path Modeling) with SmartPLS 3.0 software. The analysis was carried out on two submodels, namely the measurement model or the outer model and the structural model

(structural model) or the inner model. The outer model shows how the manifest variable represents the latent variable it measures, while the inner model shows the power of estimation between latent variables. Goodness of fit structural model in PLS analysis is in the form of predictive-relevance value (Q^2), which is calculated based on the coefficient of determination (R^2) of each endogenous variable. Objects that will be used as respondents in this study are consumers who use e-commerce, namely consumers of private university students in Bandung. The variables observed in this study were digital marketing, influencer marketing and e-WOM. The number of samples was 190 consumer respondents from private universities in Bandung, the sampling technique used was purposive sampling. The respondent's criteria is that they have transacted using e-commerce. Collecting data by distributing questionnaires conducted online through social media to respondents.

The conceptual framework tested for its influence, either directly or indirectly, can be presented in full in Figure 1.

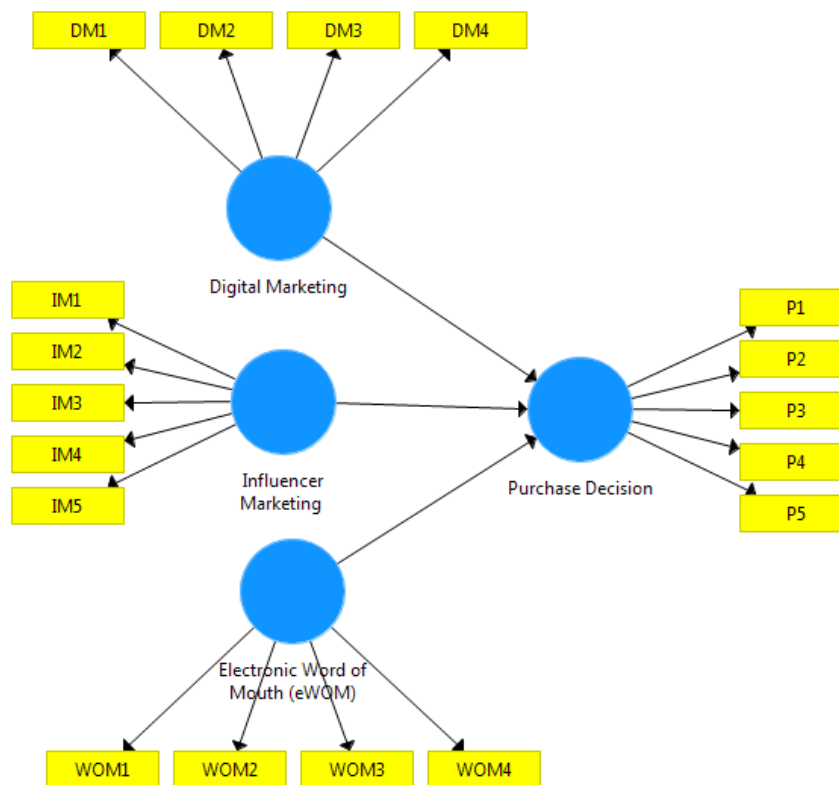


Fig. 1. Research Model

III. Results

Respondents who use e-commerce are men at 34% and women 66%. This shows that most of these respondents are women who use e-commerce, because women feel that shopping in e-commerce is in accordance with their daily needs. While the age characteristics indicate that respondents aged 17-25 years are the age of respondents who are at most 75%, then respondents aged 26-35 years are 14%. This illustrates the behavior of teenagers who prefer shopping online. Considering that this research was conducted during the Covid-19 pandemic where many shopping places or malls were not operating optimally, they switched to using online shopping. Most of the job characteristics are employees / private / self-employed / factory workers and staff, namely 60%, followed by students at 14%, the rest are various professions

According to Purwanto et al. (2020) explaining an indicator is declared valid if it has a loading factor above 0.70. Here are the results of the validity test

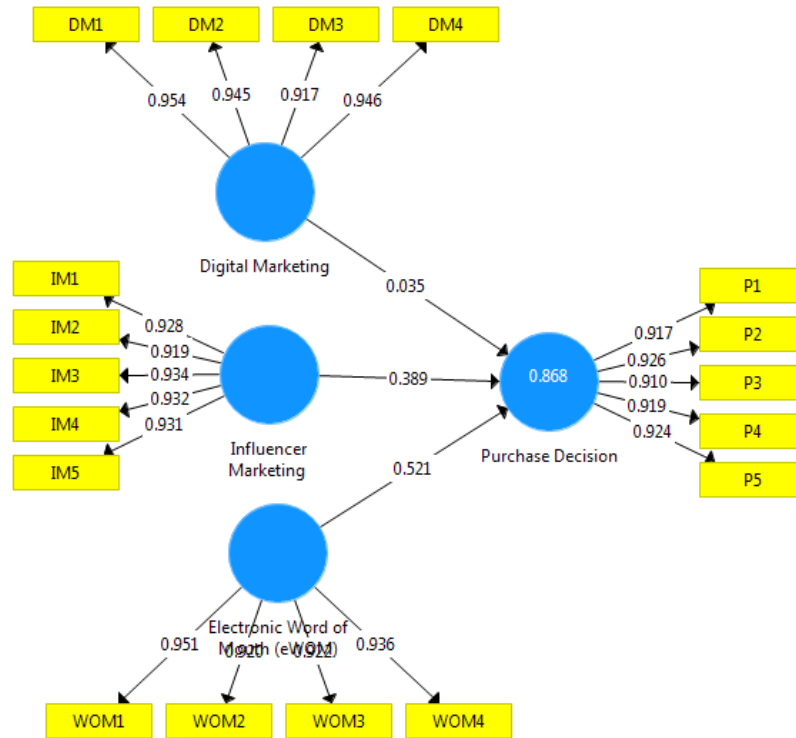


Fig. 2. Validity Test After Selection

Based on Figure 2, all statements are declared valid because they already have a loading factor above 0.70.

Table 1. Reliability test

	Alpha Cronbach	rho_A	Composite reliability	(AVE)
Digital Marketing	0,831	0,808	0,804	0,804
Influencer Marketing	0,907	0,843	0,808	0,787
Electronic Word of Mouth (eWOM)	0.804	0.907	0.901	0.793
purchasing decisions	0,806	0,709	0,807	0,709

Based on the standards set by Purwanto et al. (2020) in table 1 it is known that the AVE value is above 0.5 and the Composite Reliability value is above 0.7, so all variables meet the reliability requirements. R-Square is used to evaluate the structural model for the independent variables/inner model, here are the results of testing the inner model

Table 2. Evaluation of the Structural Model (Inner Model)

	R Square	R Square Adjusted
Purchase decision	0,917	0,906

Based on the Purchase decision table, 91.7% can be explained in this model, while the Purchase decision variable can be explained at 86.8% by this research model. The following are the results of data processing for hypothesis testing using the PLS Bootstrapping method.

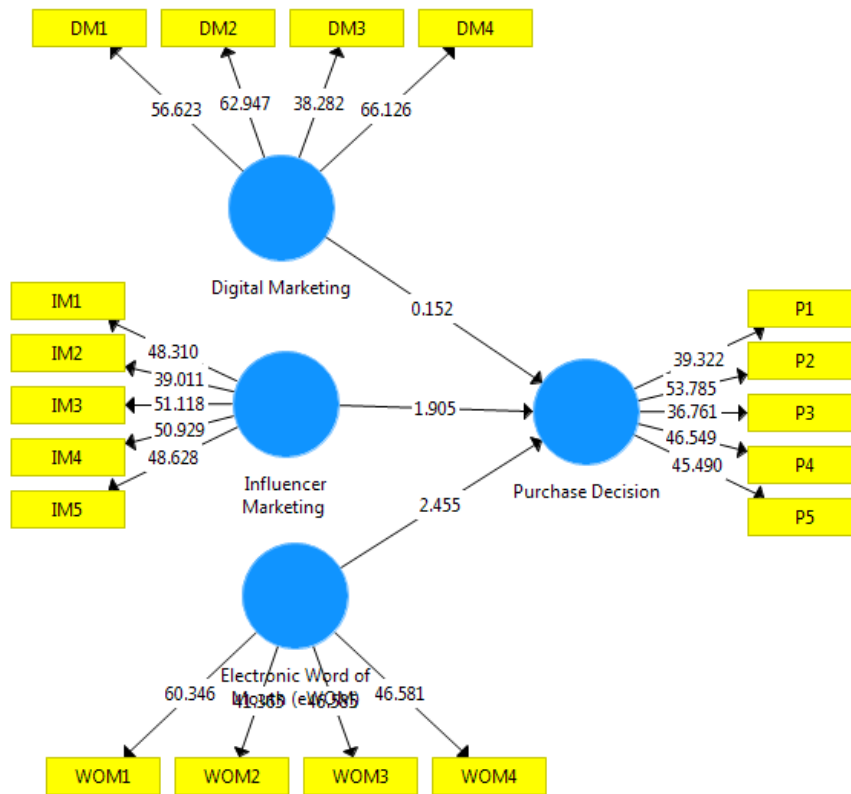


Fig. 3.PLS Bootstrap

The following table is presented to clarify the description of the hypothesis test above.

Table 3. Hypothesis Test

	Value P	Result
Digital Marketing -> Purchase decision	0,000	Significant
Influencer Marketing-> Purchase decision	0,000	Significant
Electronic Word of Mouth (eWOM) -> Purchase decision	0,001	Significant

Digital Marketing has a positive effect on online purchasing decisions

Based on the results of data analysis, it was obtained that the p value was $0.000 < 0.050$ so it was concluded that Digital Marketing had a positive effect on online purchasing decisions, this result is in line with Abraham et al. (2022); Arif et al. (2019); Babić et al. (2020); Candice (2022); Chu et al. (2019) that Digital Marketing has a positive effect on online purchasing decisions

Influencer Marketing has a positive effect on online purchasing decisions, Based on the results of data analysis, it was obtained that the p value was $0.000 < 0.050$ so it was concluded that Influencer Marketing had a positive effect on online purchasing decisions. This result is in line with Choi, Y., & Kim, J. (2019); El-Baz et al. (2018);Haudi et al. (2022); Ho et al. (2021); Krishnamurthy et al. (2018); Lăzăroiu et al. (2020) that Influencer Marketing has a positive effect on online purchasing decisions

Electronic Word of Mouth (eWOM), has a positive effect on online purchasing decisions, Based on the results of data analysis, it was found that the p value was $0.000 < 0.050$ so it was concluded that Electronic Word of Mouth (eWOM) had a positive effect on online purchasing decisions, this result was in line with Mensah et al. (2022); Morton, F. (2020); Pillay (2021); Plidtookpai . (2021); Purwanto, A. (2022); Purwanto et al. (2021); Purwanto et al. (2020) that Electronic Word of Mouth (eWOM), has a positive effect on online purchasing decisions

Online marketing targets people to actively select or visit the sites they want to visit and what information they will receive about which products and under what conditions. Marketing by using social to consumers through increasing social media marketing is even better then this will improve the structure of consumer purchasing decisions for products. According to Candice (2022); Chu et al. (2019) states that the better the digital marketing, the better the purchasing decisions. Based on Table 5 digital marketing (X1) has a positive and significant effect on online purchasing decisions. In the empirical test of the results of the digital marketing variable regression analysis which has a significance value of $0.016 < 0.05$. This shows that the better digital marketing will improve online purchasing decisions. The results of this empirical test are in line with the research conducted by Babić et al. (2020); Candice (2022); Chu et al. (2019) states that digital marketing has a significant positive effect on online purchasing decision variables. According to Abraham et al. (2022); Arif et al. (2019) states that the existence of influencers is indeed quite influential but does not necessarily believe 100% of influencers without considering other factors.

There are still things that influence purchasing decisions, such as the quality of influencer content, influencer image, reach as indicated by the number of followers, likes, and comments, resonance shown through share, and relevance shown through the similarity of the influencer's profile with the respondent's personal. Influencers can make respondents recognize and remember products, but not necessarily make respondents think that the product is of good quality. This is what makes the research results have a positive but not significant effect. The results of this empirical test are in line with research conducted by Wardhani, (2020), Ilhami, (2018) which states that the use of influencers or endorsers has no significant effect on online purchasing decisions. According to Wijaya, (2019) states that a feature that can help potential consumers to help provide an assessment of a product is an online customer review. Electronic word of mouth communication through electronic media is able to make consumers not only get information about products and services from people they know, but also from a group of people from different geographic areas who have purchasing experience of products or services. Consumers take advantage of the experiences of others, when they want to buy something before finally deciding to make a purchase of an item or service. Based on table 5 online customer review (X3) has a positive and significant effect on online purchasing decisions. The empirical test results proved a significance value of $0.000 < 0.05$. So this shows that online customer reviews help potential consumers to see the ratings of consumers who have bought the product. The results of this empirical test are in line with the research conducted by Babić et al. (2020); Candice (2022); Chu et al. (2019) states that online customer reviews have a significant effect on purchasing decisions.

According to Abraham et al. (2022); Arif et al. (2019); Babić et al. (2020); Candice (2022); Chu et al. (2019) e-WOM has a significant effect on purchasing decisions. E-WOM has a role in reducing consumer uncertainty over product reviews to be purchased on platforms in online media. Furthermore, e-WOM leads to seeking opinions and experiences from previous consumers to reduce the risk of getting products that do not meet expectations. Astuti et al (2020) also conclude that e-WOM has a significant effect on Purchase decision. E-WOM, which is characterized by sharing experiences, opinions with others through sharing links, videos, or photos, is very important in supporting impulse buying activities. In addition, according to Candice (2022); Chu et al. (2019)) e-WOM is associated with opinion seeking activities, and giving opinions about a product, in which case e-WOM plays a role in reducing consumer anxiety over a product. The interaction that occurs between consumers in the form of e-WOM will be a further consideration before consumers make a purchase. On the other hand, Purchase decision can occur when consumers get an opinion or opinion about a product. When the opinion or opinion is considered positive, it will encourage unplanned product purchase activities. The results of this study support the results of research by Husnain et al (2016), and Astuti et al. (2020) which generally concludes that e-WOM has a significant effect on Purchase decision

IV. Conclusion

The results of this study are digital marketing has a positive effect on online purchasing decisions, Influencer marketing has a positive effect on online purchasing decisions, Electronic Word of Mouth (eWOM) has a positive effect on online purchasing decisions. Digital marketing has an effect on online purchasing decisions, considering that the reach to be achieved is very broad. Influencer marketing has an effect on purchasing decisions, while unattractive influencers will cause

the decision to buy will also decrease. E-WoM has an effect on purchasing decisions. Consumers who will make transactions will seek information from users when the assessment or response to a good product will affect purchasing decisions. e-WOM has a significant effect on consumers' Purchase decision on the application. E-WOM activities on e-commerce are getting better, including sharing positive experiences, opinions about products, and product reviews by sharing photos or videos, which will encourage an increase in Purchase decision by consumers. Practical advice for management is that management should pay attention to the importance of e-WOM to increase purchases by consumers. In addition to being selective in choosing online stores, e-commerce management must provide more opportunities for consumers to exchange information about product reviews, especially in order to prevent consumer anxiety over the products purchased. Further research is suggested to further explore other variables that affect Purchase decision on e-commerce objects, such as age group and income level. Age is an interesting variable to be studied further considering that online shopping activities in Indonesia are mostly dominated by consumers from among teenagers. Income level is interesting to study as a follow-up study on consumer segmentation.

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