

The Influence of Viral Marketing toward Brand Awareness and Purchase Decision

Ati Mustikasari, Sri Widaningsih

Fakultas Ilmu Terapan

Telkom University

Bandung, Indonesia

atimustikasari@tass.telkomuniversity.ac.id

Abstract—Social media has become part of daily life of society in Indonesia, so it is used by business actors to promote their products, with the purpose of advertising messages delivered can be disseminated to others and become viral so as to increase awareness of the product and purchase decision. So the purpose of this study is to know how the impact of social media in creating viral marketing and its impact on Brand Awareness and purchase decision. Data collection techniques used were questionnaires distributed to 150 respondents of social media users then analyzed by using SEM. The results of this study indicate that the use of social media in viral marketing can increase Brand Awareness of the product and purchase decision.

Keywords—viral marketing; brand awareness; purchase decision; social media instagram

I. INTRODUCTION

The increasing access to social media in Indonesia makes the marketers start using social media as a media campaign. Kotler and Keller define social media as a tool or a means by which consumers share information in the form of text, images, audio, and video to others and companies or vice versa [1]. Based on survey results conducted by the Association of Internet Service Provision Indonesia (APJII) in 2017, frequently accessed services are 89.35% chat and social media as much as 87.13% [2]. Submission of messages through social media in a row known as viral. The term Viral Marketing itself was first created by Jeffrey F. Rayport in his article entitled The Virus of Marketing. The article mentions how if the virus is used as a marketing program, because the marketing message will be spread by using only very little time, the budget does not need too much and the impact will be very wide [3]. Kaplan and Haenlin define Viral Marketing as an activity of electronic word of mouth in which some form of marketing message related to a company, brand or product is transmitted in an exponential way, often through the use of social media applications [4]. In Helm's opinion, Viral Marketing is not just about online word-of-mouth but rather the distribution channel of the internet [5]. Viral Marketing as a trend has shown enormous strength is simply due to its fundamentally low-cost, high-conversion nature, it's essential that you fully understand what it requires, what it can accomplish, and how you can use it to your advantage [6]. The advantage of viral marketing is its ability to duplicate marketing communications activities to all corners of

cyberspace where internet is unlimited by time and geographic zone, enabling marketing communications to spread to all internet users around the world [7]. Social media has the potential to develop trust and strengthen relationships between companies and communities. In addition to being one of the ways to increase the company's brand awareness, this phenomenon contributes in building the effectiveness and efficiency of a company in creating brand awareness.

Brand awareness is defined as the ability of a potential buyer to recognize or recall (remember) that a brand is part of a particular product category [8]. Brand awareness is believed to be one instrument that can affect consumers in making purchasing decisions. This is inseparable from the nature of consumers who tend to search for products that are tested and safe. Consumers are more likely to decide to buy a product whose brand is familiar to it than a product with a lesser known or even unknown brand name [6].

The purpose of this study is to find out how much influence generated by viral marketing made by Bandung Makuta Cake on Brand Awareness and Purchasing Decisions either directly or indirectly. The results of this study are expected to provide information to business players or marketers about viral marketing on social media Instagram that turned out to have an influence on the formation of brand awareness and purchasing decisions either directly or indirectly.

II. METHOD

A. Population, Sampling and Sampling Technique

The population in this study is the community of social media using Instagram and have seen the official Bandung Makuta Cake Instagram account or the followers of official Bandung Makuta Cake Instagram account. As for the determination of the number of samples by SEM analysis techniques, the ratio commonly used for each parameter to be tested must be at least 15 samples / respondents [9]. In this study there are 4 constructs with the total number of indicators used are 9 indicators then the minimum number of samples in this study is $= 15 \times 9 = 135$. The sampling technique used is accidental sampling technique, where the sample is considered suitable as respondents based on the ease factor encountered and suitable as a data source.

B. Data Analysis Technique

The technique used to test the data obtained from the questionnaire is to use SEM (Structural Equation Modeling). SEM is a statistical technique capable of analyzing patterns of relationship between latent constructs and their indicators, latent constructs with each other, and direct measurement error [4]. Goodness of Fit Criteria [2]:

TABLE I. GOOD OF FIT CRITERIA

Indeks	Cut off Value
Chi-Square	Approach to 0
Probability	≥ 0.05
CMIN/DF	≤ 2.00
GFI	Approach to 1
AGFI	Approach to 1

C. Research Model and Hypothesis

Figure 1 below is a research model to be used, where the indicator of each variable is as follows:

- X11 = Information
- X12 = Participation
- X13 = Used Reach
- X14 = Conversion Rate
- Y11 = Brand Recall
- Y12 = Brand Recognition
- Z11 = Decisions on quality products,
- Z12 = Decision on the price given
- Z13 = Decision on the services provide

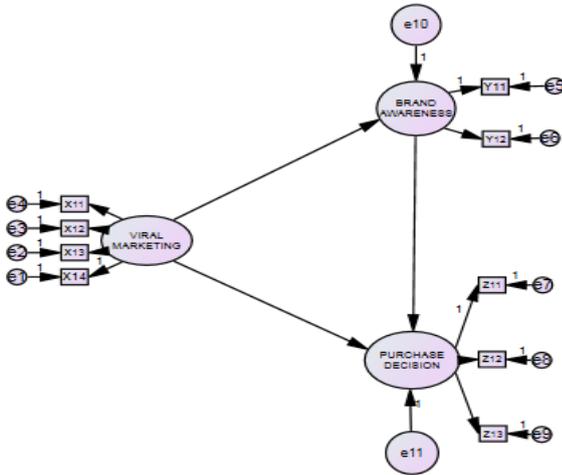


Fig. 1. Research model.

Based on figure 1 above, the hypothesis of the proposed research is as follows:

- H1: There is influence between Viral Marketing towards the development of Brand Awareness
- H2: There is an influence between Brand Awareness of purchase decisions
- H3: There is influence between Viral Marketing on purchase decisions

- H4: There is influence between Viral Marketing on purchasing decisions through the establishment of brand awareness

III. RESULTS

Based on the data in table 2 below, it can be interpreted that the research model proposed in this study is able to describe the actual condition or goodness of fit.

TABLE II. ABSOLUTE FIT INDICES

Index	Cut off Value	Results	Model Evaluation
Chi-Square	Approach to 0	40.808	Good
Probability	≥ 0.05	0.17	Good
CMIN/DF	≤ 2.00	1.700	Good
GFI	Approach to 1	0.940	Good
AGFI	Approach to 1	0.887	Good

Source: AMOS, 2018

Based on table 3 below, the univariate test CR value is entirely <from the critical value of Z is 1.96, it can be said that the data in this study is normally distributed. And by multivariate test, CR value of 0.667 is smaller than the critical value of 1.96, so the data can be said data obtained through normal distributed questionnaire.

TABLE III. ASSESSMENT OF NORMALITY (GROUP NUMBER 1)

Variable	min	max	skew	c.r.	kurtosis	c.r.
Z13	1,000	4,000	0.032	0.162	-0.35	-0.874
Z12	1,000	5,000	0.205	1.023	-0.553	-1.382
Z11	1,000	5,000	0.225	1.127	-0.359	-0.897
Y12	1,000	5,000	0.5	2.5	-0.301	-0.751
Y11	1,000	5,000	0.141	0.706	-0.452	-1.129
X11	1,000	5,000	0.218	1.091	-0.38	-0.951
X12	1,000	5,000	0.339	1.695	-0.646	-1.616
X13	2,000	5,000	0.43	2.148	-0.151	-0.377
X14	2,000	5,000	0.473	2.366	0.285	0.712
Multivariate					1.533	0.667

Source: AMOS, 2018

Table 4 below provides information on standard errors and critical value (CR). Based on Output result in table 3 shows that all the variables are significant or able to form the latent variable. This is indicated by the presence of a 3-star indicating that the p-value is less than 0.001, or if we see from the critical value (CR), all greater than ± 1.96 as the critical point limit with $\alpha = 5\%$.

TABLE IV. REGRESSION WEIGHTS

			Estimate	S.E.	C.R.	P	Label
X14	<---	X	1.000				
X13	<---	X	1.349	0.22	6.124	***	par_1
X12	<---	X	1.365	0.235	5.809	***	par_2
X11	<---	X	1.204	0.229	5.256	***	par_3
Y11	<---	Y	1.000				
Z11	<---	Z	1.000				
Z12	<---	Z	1.003	0.071	14.145	***	par_4
Z13	<---	Z	0.4	0.075	5.349	***	par_5
Y12	<---	Y	0.868	0.151	5.763	***	par_9

Source: AMOS, 2018

Table 5 below shows the loading factor value of each indicator variable. In the latent variable Viral marketing is the highest in the participation of 0.769 and the lowest at the conversation rate of 0.534. on the latent variable Brand Awareness loading factor is the highest Brand recognition is 0.782 and the lowest is Brand Recall is 0.539. while for the latent variable purchase decision, the highest loading factor is the decision to the quality product and the lowest loading factor is on the decision to the service given that is equal to 0.633.

TABLE V. STANDARDIZED REGRESSION WEIGHTS

			Estimate
X14	<---	X	0.534
X13	<---	X	0.618
X12	<---	X	0.769
X11	<---	X	0.703
Y11	<---	Y	0.539
Z11	<---	Z	0.893
Z12	<---	Z	0.882
Z13	<---	Z	0.633
Y12	<---	Y	0.782

Source: AMOS, 2018

The significance of causality between latent variables can be seen from CR values and p-values. If the value of CR is > from the critical t is ± 1.96 then there is a relationship between the two latent variables. Table 6 below shows that each latent variable shows a causality relationship because its CR value is > t critical, so hypotheses 1, 2 and 3 are all proven.

1) *Viral marketing affects brand awareness*: because its CR value is 5.691, where the value > of the critical t value is 1.96, so hypothesis 1 in this study proved.

2) *Brand awareness affects purchase decision*: because its CR value is 3.234, where the value is > from the critical t value is 1.96, so hypothesis 2 in this research is proven.

3) *Viral marketing affects purchase decision*: because its CR value is 2,940, where the value is > from the critical t value is 1.96, so hypothesis 3 in this research is proven.

TABLE VI. REGRESSION WEIGHTS

			Estimate	S.E.	C.R.	P	Label
Y	<---	X	1.788	0.314	5.691	***	par_6
Z	<---	X	1.095	0.299	3.667	***	par_7
Z	<---	Y	1.128	0.227	4.981	***	par_8

IV. DISCUSSION

Profile of respondents from 150 respondents who are users of social media Instagram in Bandung in particular are as follows:

- By Sex: 85% women and, 15% men.
- By age: 17th - 20th = 53%, 21th - 25th = 42%, and upper 26th = 5%.
- Follower or not from social media Instagram Bandung Makuta Cake: 76% follower, 24% not follower.

In table 7 below, we can see that Viral Marketing is able to directly influence Brand Awareness of 0.387 or 38.7%, it can be interpreted that the delivery of promotional messages made

by Bandung Makuta Cake through social media Instagram viral able to grow Brand Awareness of the netizens (call for internet users) of 38.7%. such as Hansel and Riswan research which also states that promotion through social media can affect the brand awareness of users of social media [7]. As also mentioned by Manuel, that viral marketing is one of the most powerful ways to drive brand awareness among members of your target audience and even on the people outside of it because it's the people who will be promoting your stuff for you if you do the first steps of your viral marketing campaigns right [5].

While Brand Awareness is also able to influence the purchase decision of 0.390 or 39%, meaning Brand Awareness that was built from Viral Marketing conducted on social media Instagram Bandung Makuta Cake able to influence respondents in making the decision to buy products Makuta Cake Bandung 39%. Similarly, research from Emma and Byron, which states that brand awareness can greatly affect repeat purchase product [10].

Viral Marketing able to influence purchasing decision equal to 0,472 or equal to 47,2% meaning promotion strategy through viral marketing done by Bandung Makuta Cake on social media Instagram able to influence respondent to buy product of Makuta Cake Bandung equal to 47,2%. The results of his research, Suharto and Sunarti also mentioned the same thing that viral marketing is able to directly influence purchasing decisions [11]. But unlike the results of research from Trivedi, that he results that viral marketing messages do not have a direct influence on purchase intentions of consumers. Message process involvement and attitude towards the brand strongly mediates the relationship between the viral messages and purchase intentions [12].

TABLE VII. STANDARDIZED DIRECT EFFECTS

	Viral Marketing	Brand Awareness	Purchase Decision
<i>Brand Awareness</i>	.387	.000	.000
<i>Purchase Decision</i>	.472	.390	.000

As for table 8 below states that the influence of viral marketing through the formation of brand awareness to the purchase decision of 0.540 or by 54%, it shows that the implementation of viral marketing strategy used by Bandung Makuta Cake through its social media Instagram, able to influence purchasing decisions through Brand Awareness by 54%.

TABLE VIII. STANDARDIZED INDIRECT EFFECTS

	Viral Marketing	Brand Awareness	Purchase Decision
<i>Brand Awareness</i>	.000	.000	.000
<i>Purchase Decision</i>	.540	.000	.000

V. CONCLUSION

Based on the results of research, Viral Marketing applied by Bandung Makuta Cake on social media Instagram able to form Brand Awareness of 38.7%. Then Brand Awareness is able to produce or influence consumer purchasing decisions on products Makuta Cake Bandung by 39%. Viral marketing in Bandung Makuta Cake is directly able to influence the purchase decision of 47.2% and does not directly affect or through the formation of its brand awareness by 54%.

ACKNOWLEDGMENT

We would like to express our appreciation to our colleague at Marketing Study Programs for their valuable and constructive suggestions during the planning and development of this research work.

REFERENCES

- [1] K.L. Keller, M.G. Parameswaran, and I. Jacob, *Strategic brand management: Building, measuring, and managing brand equity*. Pearson Education India, 2011.
- [2] APJI, *Layanan yang sering di akses*, 2017. [Online]. Retrieved from: <https://apji.or.id/>.
- [3] S. Khaneja, "Viral Marketing: A Magic Wand To Success," *GE-International Journal of Management Research*, vol. 4, no. 7, 2016.
- [4] A.M. Kaplan and M. Haenlein, "Two hearts in three-quarter time: How to waltz the social media/viral marketing dance," *Business Horizons*, vol. 54, no. 3, pp. 253-263, 2011.
- [5] B. Manuel, *Viral Marketing! Advance Viral Marketing Step-By-Step Strategies!*, 2018.
- [6] C. Akdeniz, *Viral Marketing Explained*. First Publishing, 2015.
- [7] H.B. Tritama and R.E. Tarigan, *Pengaruh Media Sosial Terhadap Brand Awareness Produk Perusahaan*, 2014.
- [8] D.A. Aaker and M.B. Equity, *Capitalizing on the Value of a Brand Name*. New York, vol. 28, 1991, pp. 35-37
- [9] A. Ferdinand, *Metodologi Penelitian Manajemen*. Semarang: Badan Penerbit Universitas Diponegoro, 2006.
- [10] E.K. Macdonald and B.M. Sharp, "Brand awareness effects on consumer decision making for a common, repeat purchase product: A replication," *Journal of business research*, vol. 48, no. 1, pp. 5-15, 2000.
- [11] N.P. Andini, "Pengaruh viral marketing terhadap kepercayaan pelanggan dan keputusan pembelian (Studi Pada Mahasiswa Fakultas Ilmu Administrasi Universitas Brawijaya Angkatan 2013 yang Melakukan Pembelian Online Melalui Media Sosial Instagram)," *Jurnal Administrasi Bisnis*, vol. 11, no. 1, 2014.
- [12] J. Trivedi, "The Effect of Viral Marketing Messages on Consumer Behaviour," *Journal of Management Research*, vol. 17, no. 2, pp. 84-98, 2017.