

# *The Influence of Viral Marketing on Online Purchasing Decisions of Students*

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**Abstract**—The application of viral marketing has become a strategy that is almost used by producers in offering their products, especially if the marketing target is students who are generation Z. Therefore this study tries to examine the effect of applying viral marketing to purchasing decisions made by students. The approach used was a quantitative study with a population of 2558 students, while 352 students were taken as samples. The results showed that the application of viral marketing greatly influenced purchasing decisions of students. This influence is caused by the ease of students in obtaining product information. In addition, marketing products with viral marketing allows potential customers to find out comments made by consumers who have bought the product before. This study can be used as a reference by producers in implementing marketing strategies, especially online marketing.

**Keywords** – *Viral Marketing, Marketing Strategies, Purchase Decision*

## *I. INTRODUCTION*

The development of globalization, many online social media has a number of followers. Social Media has brought a new phenomenon that is inseparable from society. Social media is essentially formed from groups of individuals and organizations, which are specific such as values, vision, ideas, friends, ancestry, political views, talents and others. Social media is widely accepted at many levels, ranging from the family, friends and coworkers. Social media will be right in the hands of people who have the expertise to influence others with their opinions, who are able to give impetus to disseminate that opinion [1]. Social media is growing because it can be widely accessed by people all over the world. Internet-connected social media spread information quickly among users of the same social media. The internet affects business in general [2]; [3]; [4]; [5]; [6].

The internet is no longer a new technology for the community, due to the fact that 22% of Indonesian people in

2012 were categorized as the 4th highest internet users and internet users in Asia [7]. This is because of the interactive, attractive nature of social media, global reach, and the latest information. Various forms of electronic media communication today such as electronic mail, graphics, telephone, and YouTube are able to describe the feelings of consumers, communicate with others, and advertise various business messages [8].

Online business develops due to the increasing use of the Internet in the community, so that the existence of the Internet has begun to shift from conventional purchases to online [9]; [10]. Online shopping is a purchase made through the Internet as a marketing medium by using a website (website) as a catalog. One of the advantages of online purchasing is that buyers can choose products in the catalog, buyers can also request certain designs, to be able to make payments online. However, online spending has a disadvantage where consumers can make direct physical contact with sellers and items purchased cannot be tried or touched.

Online shopping is a business or economic activity that uses information and communication technology applications in every transaction. [11] broadly defines online shopping as "marketing sales and purchases via the internet". Online shopping is not only used for buying and selling but also for a broad promotional effort. Various online shop brands make internet users their target consumers. [12] classifies the leading brands of online stores in Indonesia as follows: PT Ecart Service Indonesia (lazada.com), PT OLX Indonesia (olx.com), PT Tokopedia (tokopedia.com), PT Fashion eServices Indonesia (zalora) , PT Global Digital Commerce (blibli.com), and PT Unity Mentari Dimensions (bhinneka.com). The existence of various online shops is increasing, which is the choice for internet users to buy online. Online stores are needed to develop various strategies to survive in this industry due to increased competition. They must think about ways to attract consumers so that consumers can make online

purchasing decisions from various products offered in their respective online stores [13]; [14]; [15]. Online stores are growing rapidly because they are able to integrate the concepts of marketing and communication [16]. One of the marketing strategies used by online companies is viral marketing. The aim is to market their products so they can be accessed by consumers throughout Indonesia through internet access [17] Based on preliminary research from fifty respondents who bought online at the six online stores mentioned above, there are twelve leading online store brands in Indonesia, namely: customer recommendations, newsletters, linking strategies, communities, free offers, sweepstakes, lists of prospective buyers, discussions (chat rooms), reference lists, product texts, affiliate programs, and search engines. Constraints faced by consumers related to viral marketing are: unattractive site design and negative image recommendations, lack of information about products, common problems when consumers place orders online, problems in sending financial information and other personal data in conducting financial transactions.

Marketing a business must use a good marketing strategy, therefore the company chooses a viral marketing strategy in marketing its products, so that its products can be reached by consumers throughout Indonesia through internet access. The terminology of viral marketing is also often linked and even equated with other terms. [18] cite a number of terms put forward by several people, among others, according to [19] interactive marketing, [20] named as internet word of mouth and word of mouse, [21] named stealth marketing, [22] named referral marketing. and [23] tried to combine all these ideas with buzz marketing terminology. The term 'viral marketing' was popularized for the first time by Steve Juvertson by creating a process of respect in each Hotmail e-mail that can be lived easily [24]. Viral marketing as one of the Internet versions of word of mouth marketing which involves the creation of email messages or other marketing agendas that can motivate customers to deliver it to their colleagues [25].

Technological advances that have increased, many of consumers often use social networking in everyday life. The trust of a consumer or customer to the company is needed, because businesses through viral marketing use the internet, which means they do not face each other in transactions. So here the company must be able to make a consumer or customer can put their trust in the company. The ways that companies do are as varied as offering a product that can convince consumers to make a purchasing decision, make an attractive website design, and include a testimonial that can convince consumers about the products the company offers. They will link messages with potential customers who will use the goods or services offered and recommend them to other consumers [26]; [27]; [28]. Viral marketing can be measured by 12 indicators of social media availability, namely customer recommendations, newsletters, linking strategies, communities, free offers, sweepstakes, lists of prospective buyers, chatrooms,

reference lists (reference lists) ), product texts, affiliate programs, and search engines. [29]

The company forms trust in consumers so they can trust the products offered which will then make consumers to make purchasing decisions. According to [30] "purchasing decisions are a real purchase process. In line with this [31] states the purchase decision is an act of consumers to want or not buy a product. Purchase decisions according to [32] "the selection of an option from two oral alternative choices" means, the purchase decision is a decision of someone in which he chooses one of several alternative choices available. According to [25] there are two factors that can influence purchasing decisions. The first factor is the attitude of other people that is the extent to which other people's attitudes reduce alternatives that someone likes. The second factor is an unanticipated situation factor that can arise and change purchase intentions, which in turn results in consumers canceling their purchasing decisions on a product. Purchasing decisions can be seen in five indicators namely motivation, perception, learning, emotions and memory [33] Based on the description above, the researchers felt the need to conduct a study related to the effect of viral marketing on purchasing decisions made by students of the Faculty of Economics, Universitas Pendidikan Ganesha. The purpose of this study was to determine the effect of applying viral marketing to consumer purchasing decisions.

## *II. METHOD*

This study is a causal study with the aim of knowing the effect of applying viral marketing to buying decisions. The population in this study were all active students of the Faculty of Economics, Universitas Pendidikan Ganesha, as many as 2858 students. The calculation of the number of samples in this study using the basic Slovin calculation with a total of 351 students conducted by proportional random sampling method consisting of 53 students of economic education programs, 171 students of management programs, 110 students of accounting programs, 9 students of accounting diploma programs, and 8 student of hospitality diploma program.

The data collection method is carried out by providing a research questionnaire to selected samples. Data sources used by the author in this study are as primary Data, i.e. data obtained by distributing questionnaires to respondents. Primary data in this study are data about prices, tastes and buying decisions in the online shop, and secondary Data, the source of research data obtained indirectly from the campus. Secondary data in this study is a list of names and numbers of the Faculty of Economics, Universitas Pendidikan Ganesha. Research instruments are arranged based on the indicators of each variable with the following details.

Table 1. Variable Indicators on the Questionnaire

Variabel	Indikator	No
Viral	Customer	1, 2, 3
Marketing	Recommendation	
	Newsletter	4,5
	Linking Strategies	6, 7
	Communities	8, 9
	Fee Offer	10, 11, 12
	Sweepstakes	13, 14
	List of Prospective Buyers	15, 16
	Chat Room	17, 18
	Referece list	19, 20
	Text Product	21, 22
	Affiliate Programs	23, 24
	Search Engine	25, 26
	Purchasing Decision	Motivation
Perception		28
Learning		29
Emotion		30
Momory		31, 32

The research questionnaire was arranged in 32 questions that led respondents to provide responses based on the Likert scale used. The scale used consisted of five, namely a score of 5 for strongly agreeing, a score of 4 for agreeing, a score of 3 for disagreeing, a score of 2 for disagreeing, and a score of 1 for strongly disagreeing.

Before being given to respondents, the questionnaire was tested for validity on the tryout instrument to 40 respondents. Based on the results of the analysis of the validity of the questionnaire conducted on the results of the research questionnaire try out it was concluded that all items in the question were declared valid with a calculated r value of 0.50 - 0.812. From the results of the validity analysis, the calculated r value on each item is above the critical value with a significance of 0.05.

In addition, the questionnaire was also analyzed for reliability to test the confidence of the results of the data collected with the questionnaire. The results of the reliability analysis of the research instrument when tested out obtained alpha Cronbach of 0.753. This shows that the questionnaire used in this study was declared reliable to measure viral marketing variables and online purchasing decisions of the Faculty of Economics students.

Data analysis techniques in this study used the analysis of t-test using the IBM SPSS Statistics for Mac version 23. The basis for the decision making used is If the significance value > 0.05 then H0 is rejected (regression coefficient is not significant). This means that partially the independent variable has no significant effect on the dependent variable. While if significant < 0.05, H0 is accepted (significant regression coefficient). This means that partially the independent variable has a significant effect on the dependent variable.

III RESULT AND DISCUSSION

The research was conducted involving 351 samples who were students of the Faculty of Economics with the distribution as presented in the research methods section. Based on the research questionnaire it can be seen that the respondent is a person who already has a social media account with the following distribution.

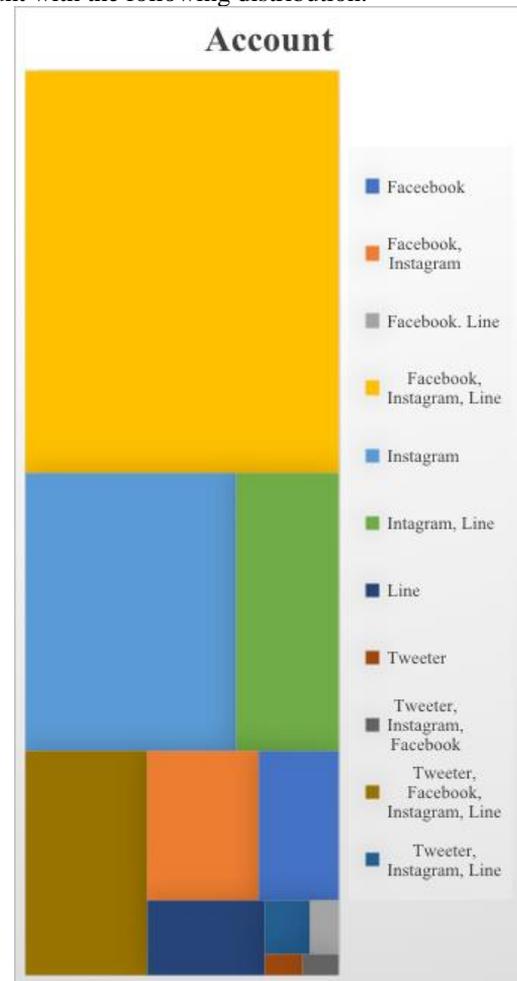


Figure 1. Social Media Account of Respondent

Based on the graph above it can be seen that all respondents consisting of 90 men and 261 women between the ages of 19-22 years, have social media accounts, be it Instagram, Facebook, line, or tweeter. Even as many as 44% of respondents have three social media accounts that are actively used. The tendency to use these three social media is ease of use, access that does not require a large bandwidth and many users around the world. The least used social media by students of the Faculty of Economics is tweeter while social media which is widely used is Instagram. based on the results of interviews with respondents, the use of social media is because the facilities provided are very supportive of social activities or are called socialites. The facilities provided include posting photos, comments fields, viewer information, likes counters, and tagging.

Analysis was carried out on the data that had been collected in order to test the hypothesis that there was an effect of applying viral marketing to purchasing decisions made by students. Data that has been collected shows that the tendency of students to make purchases due to the application of viral marketing with the distribution of opinions as shown in the following graph

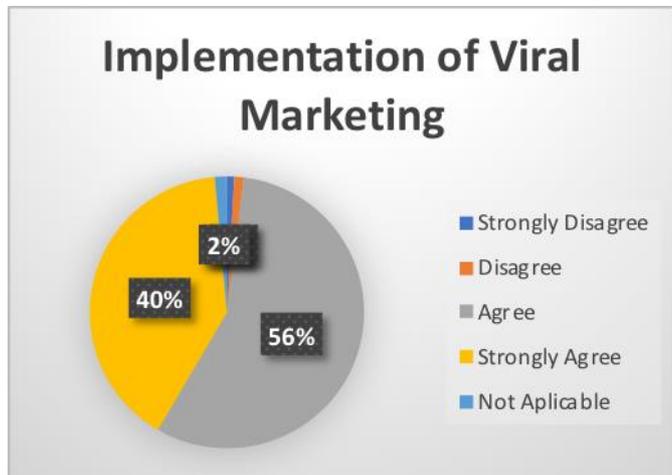


Figure 2. Questionnaire Result

Based on Figure 2 above, it can be seen that 56% of respondents said they agree if the purchase decision made is due to an indicator of the implementation of viral marketing, and 40% states strongly agree if the purchase they made is due to the application of viral marketing by the seller. The seller applies viral marketing and the benefits are felt by the buyer (students) based on twelve indicators, including customer recommendations, newsletters, linking strategies, communities, free offers, sweepstakes, lists of prospective buyers, chatrooms, reference lists (reference lists), producttexts, affiliate programs, and search engines.

Table 2. Hypothesis Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.043	.191		-.226	.821
Viral Marketing	.964	.049	.722	19.620	.000

a. Dependent Variable: Purchasing Decision

Table 3. Correlation Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.722 <sup>a</sup>	.522	.520	.44409

a. Predictors: (Constant), Viral Marketing

The results of the t test analysis conducted showed that viral marketing significantly influenced purchasing decisions made by students based on the SPSS output sig 0,000  $\geq \alpha$  0,05 with a correlation level of 0.722%. This indicates that, the marketing strategy undertaken by the seller in marketing goods has been able to influence the decisions taken by the buyer when going to buy goods. The following are the results of t test analysis on the research hypothesis testing.

Developing consumer behavior requires a change of strategy by the producer. This is in line with Kotler (2002) that the development of globalization will have an impact on every business actor and one's life. Market segmentation is classified based on demographic, psychographic, and behavioral. The change in strategy used is an important thing to do, one of which is the implementation of a viral marketing strategy. In the development of globalization with the use of the internet as part of the lives of producers must be able to follow because customers or consumers are the key in marketing using the internet network. Viral marketing can influence consumer preferences in shopping decision making. Influence caused by changes in consumer motivation caused by the application of viral marketing strategies.

Students, as one of the active consumers in the millennial era, have become potential targets of implementing viral marketing strategies. Students make a decision to buy or not based on the preferences they accept and have. Millennial era consumers will shop based on their experience and knowledge preferences. because every consumer will make a purchase decision through several stages called consumer behavior. Consumer behavior is behavior that is shown through searching, purchasing, using, evaluating and determining products or services that they expect to meet their needs. besides that consumer behavior is a form of dynamic interaction between the influence and condition of behavior and events around the environment in which humans make aspects of the exchange in their lives. In line with the above, it is mandatory for a company to be successful in business competition is trying to achieve the company's goals by creating and retaining customers. Maintaining customers means the company must be able to satisfy what is needed and desired by its customers more than what is given by competitors, while creating customers means the company must be able to capture every opportunity that exists through its marketing strategy to get

customers. Companies that use viral marketing are able to present goods information very well, ranging from visual displays, specifications and shipping information.

#### IV CONCLUSION

Based on the results of the analysis that has been done, it can be concluded that the application of viral marketing affects consumer purchasing decisions.

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