

The Impact of Electronic Word-of-Mouth on the Purchase Intention

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ABSTRACT

Electronic word-of-mouth (eWOM) is an informal communication among consumers through the technology of the internet. This kind of communication is one of the marketing methods to influence consumers' behavior in purchasing goods and services. Meanwhile, purchase intention is a consumer's desire for the fulfillment of needs and desires that are hidden in the minds of consumers. The purpose of this study is to determine the effect of electronic word-of-mouth on the purchase intention of Modern Vespa vehicle in Jakarta, Indonesia. Data collection is done by distributing questionnaires to 100 respondents. Researcher using Statistical Package for the Social Sciences (SPSS) 15 to analyze the data. The research discovered that there is correlation value between the intervals of 0.80-1.0 means that electronic word-of-mouth has a strong enough relationship to the intention of buyers to transact. It contributes 75.9% and the remaining 24.1% will be influenced by other factors. The conclusion from this deepening to increase the purchase intention can be done one of them by improving the electronic word-of-mouth as a marketing method.

Keywords: electronic word of mouth, purchase intention, young people

1. INTRODUCTION

On the new era, marketing communication of product is very important to promote the brand who make people recognised the brand. Definition of sales communication according to Tjiptono [1] is a sales activity to provide explanations, influence or attract, and correcting the target market with a product of the company. The purpose of marketing communication is to make potential customers ready to accept, take, and be loyal to the goods offered by related companies. Relationship in sales activities is a very important thing because it will affect consumer behavior. If sales communication is getting better it would give more impact.

Consumers who get influence will do communication with people around or can be called communication word of mouth. According to Kotler and Keller, the *term of lips* is a sales activity through a bridge between individuals which is done by speech, writing, and via electronic communication tools who connected by the internet, based on the experience of goods or services [2]. But communication *term of mouth* usually done traditionally or face to face. Communication *word-of-mouth* which is done through the internet called as *electronic word-of-mouth*.

In this era, the internet, produce the innovation of terms of lips becomes electronic term of lips which is delivery of

broad-minded and unlimited explanation. According to Kamtarin, every defamation explanation through the electronic term of lips usually done via internet tools like *electronic-mail*, blog, chat, Facebook, Twitter, and various types of social tools that makes the appearance of correlation between customers [3].

This online social communication will automatically help customers to share their experience about products or services and make it easier for customers to find information about products and services that they get when making the purchasing process. Goyette et al. divide eWOM's dimension into three dimensions that are intensity, valence of opinion, and content [4].

According to Setiawan and Ihwan, receipt of a message from a company will influence consumer's buying interest towards products that offered or marketed. The clearer level of communication which is conducted by the company will affect to influence of consumer interest in buying the product. Buying interest has a definition as a benchmark someone's desire in buying some product [5]. Variable of buying interest is the most influential variable in sales of two wheels one product or some brand of two-wheeled vehicles which is on-trend, Modern Vespa.

Vespa is a motorcycle brand type scooter from Italia. In Indonesia, Vespa seller is Piaggio which was founded in 1884. As time goes by, PT Piaggio Indonesia launches automatic Vespa to increase its sales. PT Piaggio Indonesia

revealed the variety of automatic Vespa products best sellers in Indonesia since 2011. Two mainstay product PT. Piaggio Indonesia are Vespa Primavera and Vespa Sprint. The material of this investigation is to understand the effect of electronic word-of-mouth among young people on the purchase intentions. Researchers conducted research on modern Vespa and give this research with the title "Impact of Electronic Word-Of-Mouth in Young People towards the Purchase Intention of Modern Vespa Vehicles"

2. METHODOLOGY

The research method used in this study is a survey. This method used on purpose to get natural data from the place of study and researchers collects data through questionnaires, interview, test and etc [6]. In this study, the researcher used a survey as a method by distributing online questionnaires. The survey in this study used 20 statement indicators made based on the dimensions of each variable. The electronic word-of-mouth variable has 9 indicators from 3 dimensions according to Goyette et al [4]. Variable buying interest has 11 indicators from four dimensions according to AIDA (Attention, Interest, Desire, Action) model [7].

Data collection technic with a questionnaire is done by giving complete questions or statements listed to the informants to be answered [8]. In this research, the questionnaire was used to collect data from informants who had been determined by the investigator. The population studied by the author is young people aged 17-25 years who like modern Vespa vehicles in Jakarta, Indonesia.

The number of indicators determined the number of informants that are counted $20 \times 5 = 100$ informants. Likert comparison is a comparison used to estimate someone's attitude, opinion, and perception of an object or fact. Likert comparison has two forms of statements namely actual and destructive statements. Positive statements are given a score of 5,4,3,2, and 1, while actual statement form was given a score of 1,2,3,4 and 5. After the questionnaire was distributed, the researcher processed the data using SPSS software for windows version 15.

Research Hypothesis

Table 1 Validity Results

Variable	Indicator	Corrected Total Item Correlation	Validity
	I access information on Modern Vespa Vehicles on social media sites (Instagram)	0.783	Valid
	I access social media of Instagram every day	0.620	Valid

Ha : Electronic word-of-mouth affected the purchase intention of Modern Vespa vehicle
H0 : Electronic Word of Mouth is not affected the purchase intention of a Modern Vespa vehicle

3. RESULTS AND DISCUSSION

3.1. Respondent Identity

Based on the respondent's ages, the majority of respondents ages in this research are 20-25 years total of 70 people (70%). The second respondent's age is more than 36 years a total of 21 people (21%). Then, a number of respondents ages range in 26-30 years is 6 people (6%). Lastly, the respondent's age who have the smallest amount is 31-45 years a total of 3 people (3%).

Based on the respondent's gender, the male respondents are 46 people (46%) and female respondents are 54 people (54%).

Then based on the profession or occupation, student respondents have the highest number that is 48 people (48%). The second respondent is the entrepreneur total of 15 people (15%) and another respondent is 12 people (12%).

By address, respondents who live in North Jakarta are 24 people (24%), respondents who live in West Jakarta are 29 people (29%), respondents who live in East Jakarta are 8 people (8%), and the last is South Jakarta which has a total amount is 27 people (27%).

3.2. Validity and Reliability Test

To know an item can be stated valid or not, then used the reference 0.2. If the correlation number below 0.2 is stated not valid and if the correlation number above 0.2 is stated valid [9]. Following the result of validity toward electronic word-of-mouth and the purchase intention variable.

Electronic Word of Mouth	I read reviews of Modern Vespa Vehicles on the Instagram	0.799	Valid
	I often get recommendations from young people, about Modern Vespa Vehicles (through WhatsApp Group, Line Group, Youtube)	0.860	Valid
	I get positive information regarding the price of Modern Vespa Vehicles from young people (through WhatsApp Group, Line Group, Youtube)	0.859	Valid
	I get positive information regarding the quality of Modern Vespa Vehicles from young people (through WhatsApp Group, Line Group, Youtube)	0.811	Valid
	I get positive information regarding motorbike communities of Modern Vespa vehicles from young people (through WhatsApp Group, Line Group, Youtube)	0.821	Valid
	I get some information on Modern Vespa vehicles on the social media (@skuutsvespajakarta dan @speedingindo)	0.809	Valid
	I figure out advertisement or marketing promotion of Modern Cespa vehicles on social media (@skuutsvespajakarta dan @speedingindo)	0.827	Valid
The Purchase Intention	After seeing the communities of Modern Vespa, I began searching for information about Modern Vespa vehicles.	0.835	Valid
	I began discussing to gather information about Modern Vespa vehicles	0.840	Valid
	I will search for the price of Modern Vespa vehicles.	0.833	Valid
	I will search for all information about the quality of Modern Vespa vehicles.	0.792	Valid
	I will search for all information about the communities of Modern Vespa vehicles.	0.795	Valid

	I will search all of the people's experience who riding Modern Vespa vehicles	0.731	Valid
	I will take Modern Vespa as a priority when buying vehicles.	0.854	Valid
	I will search other types of Modern Vespa to fit with my desire	0.841	Valid
	I want to buy a Modern Vespa vehicle to fulfill my desire.	0.800	Valid
	I will buy Modern Vespa soon	0.800	Valid
	I will recommend Modern Vespa to my colleagues	0.832	Valid

Table 1 shows that all dimension is valid because it has passed 0.2.

The reliability test in this research aims to test the reliability of a statement in the questionnaire that has been distributed

by a researcher. A data can be said reliable if it has a Cronbach Alpha value > 0.6 . Following the result of the reliability test from communicator credibility dimension (X) and buying decision (Y):

Table 2 Reliability results

Variable	Cronbach's Alpha	Reliability
Electronic word-of-mouth	0,949	Reliable
The Purchase Intention	0,960	Reliable

Table 2 shows that instrument are reliable because Cronbach's Alpha value is above 0.6.

Hypothesis testing found if the value of the coefficient correlation R is 0.871 at interval 0.80-0.1000 that electronic word-of-mouth has a very high bond over the purchase intention.

3.3. Correlation & Determination Coefficient

Table 3 Correlation & Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.871 ^a	.759	.756	5.037

Table 3 shows the determination coefficient (R^2) is 0.759. It means the independent variable electronic word-of-mouth (X) in explaining dependent variable purchase intention (Y) is 75,9% while 24.1% will influence by other variable. In this way, it can be concluded that part of purchase decision is determined by other factors. Based on the correlation coefficient (R) signifies closeness in the relationship between X and Y in this research is 0.8871 (very high).

3.4. Linear Regression

Linear regression test are being carried out to measure the effect of independent factors on dependent variable.

Table 4 Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	4.234	2.450		1.728	.087
	TX	1.117	.064	.871	17.562	.000

Based on linear regression comparisons above can be concluded if the value of Y (Purchase intention) will continue as big as 4.234 constant if the value of X (electronic word-of-mouth) found no change, either increase or decrease. If the value of X (Electronic word-of-mouth) gets an increase in the value of 1 unit, so the value of Y (buying interest) will found an increase of 1.117 become 5.351.

4. CONCLUSION

The current research concludes that the electronic word-of-mouth in young people has a strong enough correlation with the purchase intention of vehicles. It means that all of the marketers of automotive products or vehicles should consider electronic word of mouth method when promoting their products. The development of technology, i.e. social media, instant messaging, has extended the way people interact. The discussion among them is not only occurred in face-to-face communication or word-of-mouth, but also virtual communication or electronic word-of-mouth.

In addition, the effect of electronic word-of-mouth is 75,9% while 24,1% is affected by other factors. The other variable can be contributed by other marketing-mix methods, such as advertising, public relations, sales, and so forth. The other researcher or practitioners can be further research by finding others aspect which contributed to the buying of interest of vehicles.

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