



How Electronic Word of Mouth Affect Consumer Purchase Decision on Tiktok: A Case Study on Generation Z

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Abstract. Electronic word of mouth (E-WoM) has been identified as one of the important factors in influencing online purchasing decisions, especially through social media. TikTok is a social media that have a very significant increase in the number of users in this era of the covid-19 pandemic, where most of the users are Generation Z. Each social media has different characteristics in the spread of electronic word of mouth. This study focuses on the analysis of how E-WoM on TikTok can influence the purchasing decisions of Generation Z. The data collection technique in this research is using case studies by conducting observations, interviews, documentation, and analysis. This study addresses three main problems. First, how the role of E-WoM in the purchasing decision process made by Generation Z through TikTok social media. Second, the characteristics of E-WoM content that can influence the purchasing decisions of Generation Z consumers. Third, who are the sources of E-WoM on TikTok that can influence Generation Z purchasing decisions. The findings of this study indicate that the purchasing decision process occurs after consumers pass information and product evaluations through two sources of information, review content by the user or content creators, and comments from the consumers in the video. The implications of the study allow practitioners to develop and improve content of E-WoM to obtain consumer.

Keywords: electronic word of mouth · TikTok · generation Z · purchase decision

1 Introduction

Social media is one of the media that is very influential in the purchasing decision process for consumers in this digital era, especially for young consumers, namely Generation Z. Social media consumption patterns of Generation Z (those born in 1995–2010, their age range is 11–26 years in 2021) is fundamentally different from the older generation. According to the report “Indonesia Gen Z And Millennial Report 2020” published by research company Alvara, Generation Z is referred to as the mobile generation, which is the highest level of internet consumption compared to other generations. Therefore, this generation is a generation that uses digital media more in carrying out its daily activities.

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Generation Z prefers to consume content that is micro-storytelling, which is short and usually contains entertaining videos, such as the content on social media TikTok.

This application originating from Beijing is a social media whose number of users is increasing in the Covid-19 Pandemic Era. Where most of the users are teenagers or Generation Z [1, 2]. Based on statistical data on the number of TikTok downloads as of June 2020 from Statista, Indonesia ranks fourth as the most TikTok users in the world.

The content created by TikTok users also varies, one of which is content of product reviews which are part of electronic word of mouth. Not a few TikTok users make product purchase decisions after seeing E-WoM on TikTok. The availability of interesting content from TikTok users and the ease of features for sharing content, make the electronic word of mouth spread quickly through this application. This is an opportunity for business owner or marketer to promote their products through TikTok media.

Previous research studied various E-WoM characteristics such as valence (type of online review), volume (number of reviews), review content, and digital platform that influence buying behavior. Reviews with positive and negative justifications for a product are stated to positively influence their online purchase intentions [3]. Therefore, E-WoM analysis can help business people to develop digital marketing strategies. However, there is still little research that discusses E-WoM on TikTok social media.

Generation Z as previously mentioned is the largest age group in Indonesia [4] and they are digital natives. Therefore, marketers should try to attract the attention of Generation Z with digital marketing, and find out the right way to conduct digital marketing communications with them to avoid losses and create profits.

This study addresses three main problems. First, how the role of E-WoM in the purchasing decision process made by Generation Z through TikTok social media. Second, the characteristics of E-WoM content that can influence the purchasing decisions of Generation Z consumers. Third, who are the sources of E-WoM on TikTok that can influence Generation Z purchasing decisions.

2 Research Objective (s)

The main objective of this study is to explore how E-WoM on TikTok social media can influence Generation Z purchasing decisions. Furthermore, this study aims to answer several research questions, such as:

1. Why TikTok is an effective marketing medium for Generation Z?
2. What kind of E-WoM content on TikTok can influence Generation Z purchasing decisions?
3. How can E-WoM on TikTok influence Generation Z's purchasing decisions?
4. Who are the sources of E-WoM on TikTok that can influence Generation Z purchasing decisions?

3 Literature Review

Electronic Word of Mouth

Electronic word of mouth (E-WoM) refers to positive or negative statements made by potential, actual, or former customers about a product or company, which are available to many people and institutions via the Internet [5]. E-WoM includes informal communication from consumers about the characteristics and features of a product or brand [6]. It can also be considered as an extension of traditional interpersonal communication into the new generation of cyberspace. Consumers interact by talking about certain products as an expression of their thoughts, and in various forms of user-generated content, product reviews, and social media posts [7].

This has been the focus of much marketing and consumer research, particularly how E-WoM influences purchasing decisions. Senecal and Nantel [8] examined how E-WoM affects product choice using an experimental study of consumers' use of online recommendation sources.

User-Generated Content (UGC) also known as electronic word of mouth (E-WoM) works exactly like word of mouth in general [9]. The content used can be produced individually or collaboratively, modified, shared, and consumed [10]. Several studies have stated that consumers are highly dependent on UGC for the purchasing decision-making process [11, 12]. The elements of e-WOM namely relevance of e-WOM, Accuracy of e-WOM, timeliness of e-WOM, comprehensiveness of e-WOM have positive relationships with customer purchase intention [13].

Purchase Decision

Before consumers decide to make a purchase on a product, of course, they will go through various kinds of considerations by going through various stages of the process as well. The stages referred to here start from before the purchase to after the purchase. Understanding purchasing decisions according to Kotler and Armstrong [14] is a stage of the decision process where consumers actually make product purchases. Kotler and Keller [15] suggest that purchasing decisions made by consumers also vary according to the behaviour of purchasing decisions. The purchasing decision-making process according to Kotler and Keller [15], is as follows:

1. Recognition of needs, namely the buyer feels the difference between the actual state and a number of desired states. This need can be triggered by internal and external stimuli.
2. Information search. Consumers can obtain information from various sources.
3. Assessment/evaluation, namely the stage of the purchase decision process where consumers use the information to evaluate various alternative brands in a series of choices. Consumers use online review information that comes from different but consistent and repeated sources [16].
4. Purchase decision, namely the stage of the decision process where consumers actually make a purchase of the product. In general, consumer purchasing decisions will buy the most preferred brand.

5. Post-purchase behaviour, which is the stage of the consumer's purchase decision process actually taking further action after purchase based on their satisfaction or dissatisfaction.

4 Methodology

This study employed a qualitative analysis method to explore how E-WoM on TikTok social media affects the purchasing decisions of Generation Z. The data collection technique in this study uses case studies by conducting observations, interviews, documentation, and analysis.

Observations were made by observing how the TikTok application and TikTok users (User Generated Content) worked. Then, the interview was conducted by selecting informants purposively, based on the relevant characteristics our study proposed to explore. Information was collected by conducting in-depth interviews with 12 of Generation Z in Indonesia who had made a purchase decision because they saw E-WoM content on TikTok, who were 11–26 years old in 2021. Then the interview activities were documented, transcribed with certain stages for further analysis.

As for data analysis, researchers used the interactive data analysis model of Miles and Huberman. Activities in qualitative data analysis are carried out interactively and take place continuously so that the data is saturated. The flow of activities in data analysis in this study refers to data condensation, data display, and conclusion drawing/verification. According to Miles et al. [17] data condensation refers to the process of selecting, focusing, simplifying, abstracting, and/or transforming data that appears in a complete

Table 1. Interview questions mapped against research Objectives

Research Objective	Interview Question
Why TikTok is an effective marketing medium for Generation Z?	<ol style="list-style-type: none"> 1. What is your reason for using TikTok? 2. How many hours a day do you open TikTok? 3. How many times have you bought a product because of viewing content on TikTok (in the last 1 month)?
How can E-WoM on TikTok influence Generation Z purchasing decisions?	<ol style="list-style-type: none"> 1. What was the reason that made you finally decide to buy the product? 2. Do you trust user-generated content?
What kind of E-WoM content on TikTok can influence Generation Z buying decisions?	<ol style="list-style-type: none"> 1. What kind of content do you find interesting? 2. What kind of content made you finally buy a product? 3. What kind of product information made you decide to buy the product?
Who are the sources of E-WoM on TikTok that can influence Generation Z purchasing decisions?	<ol style="list-style-type: none"> 1. Before deciding to buy a product, who were the sources that convinced you to buy the product? 2. Who created the content?

corpus (body) of written-up field notes, interview transcripts, documents, and other empirical materials. Data display is a description of a collection of information that is structured to draw conclusions and take action. Miles and Huberman state that the most often used to present data in qualitative research is narrative text. The final flow in analysing the data is concluding and verifying where the data has been passed in the first and second stages (Table 1).

5 Methodology

Why TikTok is an Effective Marketing Medium for Generation Z?

Based on the results of observations and interviews with TikTok users from generation Z, all respondents stated that the reason they use TikTok is for entertainment and seeking information. Regarding the regulations that apply during the pandemic, they have limited activities that can be done outside the home, so the intensity of their time in using TikTok during this pandemic can be said to be frequent, which is an average of about 3–4 h a day. Therefore, they will be more often exposed to E-WoM information that comes from user-generated content in the TikTok application. Most of the respondents in this study answered that they had made a purchase of products in the last month 2–3 times (Table 2).

Table 2. Intensity of using TikTok and purchasing

Interviewee	Intensity of using TikTok (a day)	Intensity of Purchasing (1 last month)
R1	5 h	2 times
R2	6–7 h	2–3 times
R3	All day long	2–3 times
R4	4 h	3 times
R5	4 h	1 times
R6	2–3 h	1 times
R7	2–3 h	2 times
R8	4, 5 h	3 times
R9	4 h	2 times
R10	3 h	1 times
R11	2 h	5 times
R12	4–5 h	2 times
R13	2 h	1 times
R14	2 h	4 times
R15	2 h	1 times

TikTok users certainly have differences with other social media users. The content creator tries to create interesting, entertaining and useful content in order to attract attention, so that it can appear on the FYP (For You Page) of many TikTok users.

TikTok is a social media that is easy to use to make a product viral. Because the features contained in the TikTok application can make it easier for users to share and save video content contained in TikTok. In addition, you don't need to be a TikTok influencer/celebrity so that the videos you make can go viral, because TikTok's algorithm makes all user generated contents have the opportunity to appear on other users' FYP (For Your Page). This makes electronic word of mouth on TikTok social media quickly spread to many users. The more people who view, share, and save the videos that are made, the more opportunities it will have to go viral.

Generation Z, who are the dominant users of the TikTok application, stated that they open TikTok more often than other social media. So, TikTok social media can be an effective marketing medium for Generation Z consumers.

How can E-WoM on TikTok Influence Generation Z Purchasing Decisions?

The need recognition stage in the buying decision process experienced by Generation Z consumers is generally divided into two types, first, they already know the product they need and then find the information from the content on TikTok, second, they see the review content of a product that ultimately makes them felt the need for the product and then they indirectly evaluate various alternative brands in a series of choices, this stage of the buying decision process will continue to repeat itself. Sometimes, they buy it not because they're looking for it on purpose. But accidentally just passed on FYP.

"Sometimes, I buy it not because I'm looking for it on purpose. But accidentally just passed on FYP" (R2)

These various series of alternative brand choices do not just appear on TikTok, the E-WoM work process that occurs on TikTok which is the main point and steals the attention of Generation Z, namely video product reviews made by content creators, who is the content creator who makes the video review, and the communication that occurs between TikTok users by looking at the comment's column. Until finally decided to make a purchase decision.

The purchase decision occurred because the respondent saw the content created by user generated contents which is the content creator of TikTok. The content contains a review of the product they want and then packaged in an interesting video. In addition, in the video, the content creator explains the product in detail based on his experience when using the product, so that the E-WoM content is useful for consumers and can make consumers trust in the product. Most of the respondents answered:

"Because seeing the reviews from the content creators, the products are interesting, and the content is useful". (R4)

"Trust and bought it, because the content creator like to review goods and also always provides the feedback and the impact of these goods". (R5)

After purchasing a product, they can feel and form their perception of satisfaction or dissatisfaction with their choice of brand, and this they usually express in online comments on brand review video content that provides information to them. Which will form a positive or negative E-WoM which will affect the product/brand purchasing decision. If the information from the TikTok video reflects conformity to the brand they

have felt this will create positive things and vice versa if there is no conformity it will create negative things both for the brand itself and for the content creator who has made a video review of the product.

What Kind of E-WoM Content on TikTok can Influence Generation Z Buying Decisions?

Different from other social media, E-WoM content created by TikTok users is more entertaining and interesting, equipped with background music as well as image and sound effects that are available on features in the TikTok application. Reviews are made in videos that are in accordance with the trend, for example using the background of a trending song.

The products that many TikTok users buy are usually referred to as “TikTok poison”. Initially a consumer saw a product review made by content creator, then the consumer made a video content with the title “TikTok poison” because he bought a product based on review content from content creator. This is how electronic word of mouth spreads to TikTok users. Generation Z consumers are easily influenced by E-WoM content which contains a review with the title “TikTok poison”, because it makes Generation Z consumers curious and want to try the product (R1, R6, R7, R15).

However, review content based on the content creator’s experience with the product is the main point that can influence consumers to make purchasing decisions. The reviews given by content creators are informative, namely explaining in detail the uses of the product, how to use it, and the effects of using the product.

“[...] it’s more interesting the way the review, and it’s clearer what the real stuff looks like” (R11).

Informative video reviews, trusted content creators, and positive comments that appear among TikTok users are what generate positive E-WoM on TikTok, and this is the reason Generation Z decides what brand or product suits their needs and desires based on evaluation of the information that has been obtained.

Who are the Sources of E-WoM on TikTok that can Influence Generation Z Purchasing Decisions?

In the previous findings section, it was stated that video reviews from User-Generated Content and online comments that appeared among TikTok users became important points that influenced Generation Z’s purchasing decisions. User Generated Content consists of two types, the first comes from paid influencers/content creators. by a company or commonly called endorsement, the second is from content creators who are not paid. Most of the participants stated that what influenced them in purchasing decisions was the content from the content creator compared to the content from the business official accounts.

“Because seeing the reviews from content creator and the many testimonials from people who have used it” (R10)

For Generation Z, the status of the content creator (celebrity or not) is not too important. The most important thing is that the content creator creates product review content in good quality video and honestly based on his experience (R2, R4, R5, R8, R12).

Based on the explanation above, it means that the source of E-WoM on TikTok social media can be said to be a combination of social interactions that occur on TikTok,

they are content creators (acting as information providers) and active users of TikTok social media itself who can easily share information on TikTok, one of which is through communication in the online comment column.

6 Discussion

Zorn [18] opinion regarding Generation Z, that they are very tech-savvy (even more so than Millennials) because they have never known a world without smartphones and social media. Generation Z can be said to be a generation that depends on technology, the ease of information today makes them not easily believe the information they receive. Generation Z doesn't want them to be missed by something that's rife, even in the use of social media, when there is a new social media application, they will tend to try to use it. This ease of information through social media also results in purchasing behaviour in choosing the product they are looking for, many considerations before they decide which product suits their needs and desires. According to Teng et al. [19], social media provides a new channel for electronic word-of-mouth (E-WoM) where users can interact with other people. Furthermore, Le et al. [20] said that the E-WoM source has an impact on the consumers' evaluations of the content of E-WoM.

Based on the results of interviews with Generation Z, there are several reasons why they use TikTok, they see a lot of content there, apart from being entertainment, but according to them, there are lots of very informative things such as reviews of a particular product. Another factor that are considered as the success of TikTok are the algorithms owned by TikTok. The content that TikTok recommends for each user is based on their preferences and interactions, which are indicated in the number of likes, shares, or their specific comments. The level of effectiveness of product comments can be explained mainly by trustworthiness and quality, which are identified as important elements of social E-WoM messages [21]. Content is analysed and filtered by TikTok using Artificial Intelligence algorithms and is automatically provided to users with videos specially selected for them [22].

It is clear that in this case Generation Z will believe and trust a product based on the information they get from the way they see how the review of the product is and who the person/content creator is who makes product reviews, whether the content creator can be trusted or not. Some of these reasons mean that Generation Z tends to seek information about a product before they decide to make a purchase. Lou and Yuan [23] revealed that the informative value of influencer-generated content, influencer's trustworthiness, attractiveness, and similarity to the followers positively affects followers' trust. Of course, a positive review about a product will be able to create positive E-WoM as well, in other words, information about the product will spread very quickly, maybe even in a matter of minutes.

In TikTok social media users can also see comments made by other users from the product review videos they have seen, this results in more convincing someone to trust the results of the product review, and of course the more positive comments given will give more confidence to other TikTok users who see the video review of the product. The results of research from Lin et al. [24] show that consumers who feel uncertainty about products tend to look for online comments. Viewing online comments is very helpful for

consumers because it can make consumers feel more confident in making purchasing decisions. Clear, logical and persuasive comments, well-founded based on specific facts about the product, have a strong positive effect on purchase decision.

7 Conclusion

Understanding of E-WoM in the field of digital marketing communication is very important, especially the E-WoM process that occurs on social media, because at this time the facts prove that business people believe that social media is the place for consumers there that can be used as promotional media by them, the same thing also happened to TikTok. But what you need to know is that each social media has its own characteristics. Different from other social media, E-WoM content created by TikTok users is more entertaining and interesting, equipped with background music as well as image and sound effects that are available on features in the TikTok application. Reviews are made in videos that are in accordance with the trend, for example using the background of a trending song.

The results of this study indicate that the creation of E-WoM on TikTok social media is based on: 1) Content containing reviews of products packaged in a video, in the video the content creator explains the product in detail, the content of the video review will affect their perception (Generation Z) who sees it will arouse curiosity, interest and even provide the information that the TikTok user is looking for. As a result, from the video, Generation Z has alternative information in deciding which product to buy. 2) Who are the review content creators, the content creators here are not only among celebrities, bloggers, or other influencers, but active TikTok users themselves can act as content creators, meaning that those who become content creators can come from various backgrounds different back. The thing that needs to be considered here is the extent to which the content creator has responsibility for the information he provides, thereby creating a sense of trust for people who see it, and being able to understand and provide content that is currently trending among TikTok users. 3) Comments on the video content. Both positive and negative comments given by other TikTok users in the comments column make Generation Z consumers evaluate all the information they get until they finally make a purchase decision.

8 Implications

The findings in this study describe the characteristics of E-WoM as digital marketing communications that have the potential to effectively capture the attention of Generation Z consumers to the point where it has the opportunity to influence their behaviour. This study also adds to the literature on Generation Z consumer behaviour as the majority of TikTok social media users. Thus, the themes developed in this study also provide direction from a practical point of view. In particular, from a practical point of view, the themes of this study provide guidance on a qualitative approach on how to attract the attention of the Generation Z age group when exposed to digital marketing. Moreover, the theme of this research provides guidance on a qualitative level on how marketers can effectively guide Generation Z Interpretations by creating E-WoM that will be relevant to them, perceived as authentic, and influential on their consumer behaviour.

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