

# AN INVESTIGATION OF IMPACT ELECTRONIC WORD OF MOUTH AND WORD OF MOUTH ON PURCHASE INTENTION GIRI HILL CAFÉ GRESIK (Survey on College Student)

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## ABSTRACT

Social media today is increasingly used by consumers to review a product so consideration of consuming products and services. Therefore, it is natural to say social media is a revolutionary new trend in influencing new customers. The influence of the popularity of social media has changed the picture of Word of Mouth (WOM) through Electronic Word of Mouth (eWOM). Therefore, marketers need to pay attention to e-WOM in social media because most people listen to close relatives and friends, or others they perceive as experts as well as the odds of foreigners to help disseminate messages on social media. This research uses multiple regression test as part of analysis from research, where influence of eWOM has more influence than WOM on Purchase Intention.

**Keywords** : eWOM, WOM, Purchase Intention

## 1 PRELIMINARY

Internet growth in the world is growing rapidly, as well as the growth of internet users in Indonesia. According to market research institute e-Marketer, netter population in Indonesia reached 123 million people in 2018 (<http://www.emarketer.com/Article/Slowing-Growth-Ahead-Worldwide-Internet-Audience/1014045>). The increasing use and popularity of the word media (WOM) (Brown et al., 2007). Social media is increasingly used by consumers to review a product so the consideration of consuming products and services will be influenced by the media. In this process, eWOM is formed and gives effect to its readers. Social media is a revolutionary new trend that can attract companies to participate in the online space (Sands et al, 2010). The

increasing use and popularity of social media has changed the picture of Word of Mouth (WOM) (Brown et al., 2007).

<b>Top 25 Countries, Ranked by Internet Users, 2013-2018</b>						
<i>millions</i>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
1. China*	620.7	643.6	669.8	700.1	736.2	777.0
2. US**	246.0	252.9	259.3	264.9	269.7	274.1
3. India	167.2	215.6	252.3	283.8	313.8	346.3
4. Brazil	99.2	107.7	113.7	119.8	123.3	125.9
5. Japan	100.0	102.1	103.6	104.5	105.0	105.4
6. Indonesia	72.8	83.7	93.4	102.8	112.6	123.0
7. Russia	77.5	82.9	87.3	91.4	94.3	96.6
8. Germany	59.5	61.6	62.2	62.5	62.7	62.7
9. Mexico	53.1	59.4	65.1	70.7	75.7	80.4
10. Nigeria	51.8	57.7	63.2	69.1	76.2	84.3

**Figure1** : 25 Countries, Ranked by Internet Users, 2003-2018

Source: <http://www.emarketer.com/Article/Internet-Hit-3-Billion-Users-2015/1011602>

In traditional WOMs, the receiver realizes who is giving the suggestion, so most problem solving may lie in whether the sender is known to be the right person to consult (Lovelock, et al (2011, p216) .While eWOM , however, senders and receivers usually do not know each other so the question is how the receiver can distinguish whether the message has been posted honestly (Duana, Gub, & Whinston, 2008) .It is important to know the difference between word of mouth marketing (WOM traditional) with electronic word of mouth (e-WOM) (Bruyn, A.D & Lilien, GL 2004), ie they are no face-to-face communication, those referrals are usually unsolicited, that is, they are sent to recipients who are not looking for information, and hence are not necessarily willing to pay attention to them.

According to Andriyanto and Haryanto (2010) word of mouth is information about a product that is sent or disseminated from one party to another party. Meanwhile, according to Lovelock, et al (2011, p216) Word of mouth, recommendations from other customers are usually considered more reliable than promotional activities that come from companies and can greatly influence other people's decisions to use (or avoid) a service. Jasen (2009) states although it is similar to previous WOM forms, eWOM offers a variety of ways to exchange information, many of which are either anonymous or confidential, this is done to provide geographical and temporal freedom, moreover, eWOM has at least some of them permanent ( Gelb & Sundaram, 2002). Electronic word-of-mouth (eWOM) refers to any positive or negative statement made by potential customers, actual customers, or former customers about a product or

company, available to many people and institutions via the Internet. In this research especially in eWOM variable, researcher use research from Hennig-Thurau and Gwinner (2004) as reference. The researcher then took five dimensions as a result of the elaboration of the two previous studies: Concern for The Others, Expressing Positive Feelings, Advice Seeking, Helping The Company, Venting Negative Feelings and Platform Assistance.

Popular social media today is Instagram (APJII Survey, 2016). The rise of social media use can be used as a social marketing medium, and has also been used by local start-ups, especially Girihills Gresik restaurants. This restaurant has been busy talking about in social media with instagram followers account called girihillscoffeehouse has reached 1375 when only one week opened (source:<https://www.instagram.com/explore/locations/207542076374559/giri-hills-coffee-house/>).

## **2 AIM, RESEARCH QUESTION AND HYPOTHESIS**

The background that has been exposed above, makes the author interested to conduct research entitled "The influence of Word of Mouth (WOM) and Electronic Word of Mouth (e-WOM) on Buying Interest". Research Question:

1. Does Word of Mouth (WOM) have a positive effect on Buying Interest of Girihills Cafe consumers?

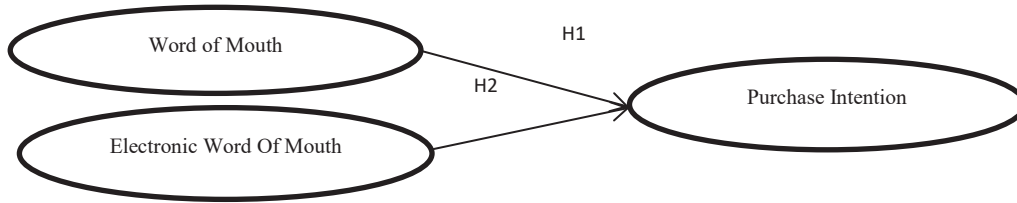
2. Does Electronic Word of Mouth (e-WOM) positively affect the interest of Buy Girihills Cafe consumers?

H1: There is a positive influence of Word of Mouth (WOM) on Buying Interest of Girihills Café consumers.

H2: There is a positive influence of Electronic Word of Mouth (eWOM) on Buying Interest of Girihills Café consumers.

## **3 RESEARCH METHODS**

This research uses quantitative method in analyzing the free variable affecting the blistering variable. Hair et al (1995) determined the appropriate sample size was between 100-200, so the number of samples used was 115. Characteristics of respondents in the analysis in this study include the exposure knowledge information about Girihills Café, social media users, and frequency of accessing social media.



Characteristics of respondents to fill the questionnaire should know the exposure of information about Girihills Café. Based on answers from 115 respondents who have visited Girihills Café are 70 respondents (60.7%) and those who have never visited Girihills Café are 46 respondents (39.3%). Characteristics of respondents based on time spent using social media were classified into three groups using social media less than 1 year, 1-2 years and more than 2 years. Based on the results of answers from 115 respondents who use social media in the category <1 year as many as 2 respondents (2%), category 1-2 years as many as 7 respondents (6.2%) and category > 2 years as many as 106 respondents.

The prerequisite analysis test is performed before performing hypothesis testing. The prerequisite analysis test includes normality test, multicollinearity test, and heteroscedasticity test. Test prerequisite analysis using SPSS 20.00 for Windows. Validity and reability test also performed to question items in the questionnaire.

**Table 1.** Definition of Research Variable

Variable	Indicator
<b>Word of Mouth (WOM)</b> <b>(X1)</b>	Participate in disseminating information or promotion (X1.1)
	Often hears information from social media (X1.2)
	Interested in visiting after hearing information about the product / place (X1.3)
<b>Electronic Word Of Mouth (E-WOM)</b> <b>(X2)</b>	Platform Assistance (X2.1)
	Concern for Other (X2.2)
	Helping Company (X2.3)
	Expressing Positive (X2.4)
	Venting Negative Feelings (X2.5)
	Advice Seeking (X2.6)

Variable	Indicator
Purchase Intention (Y)	Attention (Y.1)
	Interest (Y.2)
	Desire (Y.3)
	Action (Y.4)

## 4 RESULT AND DISCUSSION

### 4.1 Result

Multiple linear regression analysis is used to determine the effect of independent or independent variables on dependent or dependent variable. Word of Mouth analysis (X1), Electronic Word of Mouth (Y2) on Purchase Intention (Y) can be seen in Table 2

**Table 2** Result of Multiple Linear Regression

Variabel Independen	Koefesien Regresi ( $\beta$ )	t-hitung	t-tabel	Sig.	Kesimpulan
<i>Word of Mouth (X1)</i>	0,390	5,272	1,658	0,000	Signifikan
<i>Electronic Word of Mouth (X2)</i>	0,486	6,569	1,658	0,000	Signifikan
<b>Konstanta = - 0,404</b>					
<b>Adjusted R<sup>2</sup> = 0,619</b>					
<b>F hitung = 93,788</b>					
<b>Sig = 0,000</b>					

Based on the data table 3 above, result t arithmetic characteristic variable of Word of Mouth has a significance level of 0.000. From result of t test on word of mouth variable stated that t test significance smaller than 0,05 and regression coefficient have positive value equal to 0,390. While the value of t-hitung obtained is 5.272 is greater than the value of t-table is 1.658. Based on these results, the hypothesis that states "word of mouth positive effect on purchase intention" is accepted.

**Table 3** Result of t Test

Model	Variabel Dependen	Variabel Independen	T	T tabel	Sig.	Hasil
1	Purchase Intention	(Constant)	-1,389		0,168	
		WOM	5,272	1,658	0,000	Signifikan
		eWOM	6,569	1,658	0,000	Signifikan

Source: Data processed, 2017

Adjusted  $R^2$  The coefficient of determination ( $R^2$ ) has a value ranging from  $0 < R^2 < 1$ . The small adjusted value of  $R^2$  means the ability of the independent variables to explain the variation of the dependent variable is very limited. Results from adjusted  $R^2$  can be seen in Table 4 as follows:

**Table 4** Result of Adjusted  $R^2$  Test

R	R Square	Adjusted R Square	Std. Error of The Estimate
0,791	0,626	0,619	0,54614

Source: Data Processed, 2017

Based on table 4 above this study obtained value adjusted  $R^2$  0.619 which means that the magnitude influence of variable word of mouth and electronic word of mouth to consumer buying interest is 61.9%, while the rest of 38.1% is influenced by factors others not included in this study.

## 4.2 Discussion

Characteristic of Word of Mouth is one of influence of consumer to buying interest in Girihills Café because in this research mentioned that word of mouth variable have significant value equal to  $0,000 < 0,05$  and result of t test equal to 5,272 which mean bigger than t table equal to 1,658 so hypothesis which states "word of mouth positively influence to purchased intention" is accepted. Furthermore, the coefficient value of word of mouth characteristics of 0.390 indicates that word of mouth variable (X1) has a positive effect on purchase intention which is interpreted as buying interest in Girihills Café. As an example when consumers have been or have heard of Girihills Café and its customers that there is a unique and nice place on top of the Gresik hills to their colleagues. Word of mouth comes from family, close friends and co-workers and some characteristics of opinion leaders will create consumer purchase intention so that consumers who have received recommendations from people around them will be interested to find more information about Girihills Café. The results of this

study are in line with the opinion of Bansal et al (2000: 166) in Kumala (2012) which states that word of mouth information proved to be more effective in conveying information and more influential on consumer buying interest than advertising.

Electronic Word of Mouth characteristic is one of influence of consumer to purchase intention in Girihills Café because in this research mentioned that variable of electronic word of mouth has significant value  $0.000 < 0,05$  and result of t test that mean bigger than t table equal to 1,658 so the hypothesis which states "electronic word of mouth positive effect on purchase intention" is accepted. Furthermore, the value of electronic word of mouth characteristic coefficient of 0.486 indicates that the variable of electronic word of mouth (X2) has a positive effect on purchase intention in Girihills Café. This means that if the characteristic value of electronic word of mouth is higher or increased then the purchase intention towards Girihills Café will be better. As an example when Girihills has a marketing program for Girihills consumers in social media such as Instagram, a photo contest in café area and make interesting caption.

Brown et al's 2007 research, the increasing use and popularity of social media has changed the picture of Word of Mouth (WOM). Where in this era is the era of generation Y (Generation Millennials) that this generation is very dominating in terms of technology such as social media (googleweblight.com). Therefore Girihills Café must know the situation in the current era that eWOM variable more active role than WOM variable.

## 5 CONCLUSION

Result of research, eWOM variable (0,486) has bigger value than WOM variable (0.389) in influencing buying intention from consumer. In the next research, researchers need to examine whether there are risks faced from the influence of independent variables on the intention to behave consumers, especially research with different objects.

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