

THE INFLUENCE OF ELECTRONIC WORD OF MOUTH ON CONSUMER INTERESTS WHICH MEDIATED BY BRAND EQUITY

(Study of Tokopedia Users in School of Social and Political Sciences

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Abstract

The purpose of this study was to find out the influence of electronic word of mouth on consumer interests which mediated by brand equity to Tokopedia Users in School of Social and Political Sciences' student on University of Lampung. This research was conducted on Tokopedia users with a total sample of 100 respondents. The sample technique used was simple random sampling. The type of research carried out was quantitative explanatory and analytical techniques used by SmartPLS (Partial Least Square) 2.0 version.

The results of this study indicate that electronic word of mouth has a significant influence on brand equity in Tokopedia, brand equity variables have four dimensions that have a significant effect on consumer interest in Tokopedia. For further research it is recommended to be able to develop in accordance with this research so that it can improve further research and for Tokopedia to be able to conduct in-depth interactions with brand tests to install perceptions related to a product that will be offered to consumers.

Keywords: electronic word of mouth, brand equity, and customer interest.

1. INTRODUCTION

The use of the internet in Indonesia has started to develop since 1990. The development of technology, especially internet technology, has resulted in changes in the buying and selling transaction process. The emergence of many e-commerce companies in the business world has an impact on consumers in Indonesia, especially in Bandar Lampung. The relationship between the emergence of e-commerce affects consumer interest in using or following the services provided by the course institution. Quoting the opinion of Setiadi (2003: 398-399), consumer buying interest is formed from consumer attitudes towards products which consist of consumer confidence in brands so that consumers' desire to buy appears. The lower the level of consumer confidence in a product or service, the lower the consumer's interest in buying.

The city of Bandar Lampung is one of the developing cities on the island of Sumatra, where the internet has become an important requirement for all groups to be able to connect and exchange information. Sophisticated advances in the field of information technology have an impact on the process of business

transactions via the online internet which has an impact on competitive competition in the business world. This condition requires companies to have a business strategy. One of the company's business strategies in winning the competition is the use of internet information technology in their business processes, including in marketing and buying and selling activities.

There are various business models and processes through the use of internet technology, as has been done by several companies with their websites, namely Olx.co.id, Tokopedia.com, Shopee.com, and Kaskus.co.id. In business activities using internet technology, the types and categories of traded goods vary, such as fashion, household appliances, tickets, hotels, and other daily necessities. Tokopedia is an example of a company in Indonesia that has business systems and processes using internet technology. In the third quarter of 2018, it has the most visitors. Seeing the above phenomenon, it can be said that the success or failure of the current business depends on the expertise of the company in their business processes, including marketing strategies.

In marketing studies or studies, marketing is often defined as an entire system of organizational / company activities aimed at planning, determining the price of products offered, promotional activities, and places to distribute products, including the satisfaction, felt by consumers. Besides a good marketing strategy, companies also need product brands and maintain product brands that they already have. (Susanto and Wijanarko, 2004: 40). Stephen King (2007: 46), says the difference between a product and a brand is that a product is an item produced by a factory, while a brand is something that buyers are looking for. This means that a product is easy to imitate, while a brand has a unique and significant added value. A product quickly becomes obsolete, while a brand can last through the ages. Product brands must be able to compete in the minds of consumers to be the best.

Consumer behavior, in general, tends to have a desire for a certain product brand (brand minded), thus encouraging companies to give the right brand to their products and try to make the brand better known by consumers. This means that the success or failure of developing a product brand depends on the consumer's knowledge and understanding of the brand. So to be able to find out the strength of a brand on the market, research is often needed to measure brand strength or brand equity (brand equity).

In terms of behavior, brand equity is important to provide differentiation that can create a competitive advantage based on non-price competition (Aaker, 1997: 22). Also, Aaker (1997: 25) states that brand equity consists of:

- a. Brand awareness.
- b. Brand association.
- c. Perceived quality.
- d. Brand loyalty.
- e. Other proprietary assets.

Currently, there is a phenomenon of information exchange between consumers that is no longer face-to-face but also through the internet. This phenomenon is scientifically called the Electronic Word of Mouth (eWOM), which according to Henning-Thurau et al. (2004: 39), defined as positive or negative statements made by potential consumers, consumers who have switched to other products, consumers who are loyal to products issued by certain companies. Several previous studies related to eWOM discussed the impact of the eWOM method. For example, Steffes and Burgee (2009: 141), found that information obtained from the eWOM mechanism is more influential in decision making than the face-to-face method. This is increasingly possible with reviews or reviews/opinions of consumers on online sites that allow consumers to make decisions based on information provided by other consumers who have experience in business transactions at the e-commerce company.

In Indonesia, with the culture of the people who usually do things together or are said to have a collective culture, the internet, and social networking sites are effective places for the development of the eWOM method. Social media does not only function for friendship, but also as an effective and efficient medium to seek or disseminate information. Reviews/reviews on company websites and social media today do not only cover personal life but also important information related to a product, either in the form of negative or positive reviews of a product. There are detailed reviews of a product. Reviews uploaded on the internet will be read by consumers or other potential buyers, and can even be distributed by one consumer to another potential customer/buyer.

The Electronic Word of Mouth and brand equity factors in this study are used in researching Tokopedia's consumer interest, because it is related to all the activities that Tokopedia does in running its business, such as the intensity of the many opinions or comments written by consumers on social media and brand values that generate brand awareness. high, strong brand associations, and possibly the innovation gat consumers for certain brands. The brand strategy carried out by Tokopedia in influencing interest is included in the brand equity factor which also needs to be studied in influencing consumer interest.

According to Chan and Ngai (2011: 488), potential consumers usually rely on information or opinions from previous consumers obtained online, even when they make offline decisions. Senecal and Nantel (2004: 159) also found that consumers who use product recommendations from other consumers online, choose recommended products twice as often as consumers who do not use recommendations from anywhere. Nowadays, consumers are increasingly accustomed to seeing or buying products through online reviews as a process of gathering information about a product before they make a purchase decision. Electronic Word of Mouth (eWOM) is not only related to consumer Purchase Intention but can also have an impact on the brand image.

The phenomenon of the number of e-commerce transactions in Indonesia shows that there is great interest from consumers in business transactions through the use of applications or websites. For this reason, the authors are interested in examining whether the factors of Electronic Word of Mouth and brand equity affect consumer interest in the Tokopedia company. This study considers several aspects of eWOM and

brand equity, namely perceived quality, brand awareness, brand association, and brand loyalty.

This research also looks at whether consumer interest is also a factor in making decisions to transact on Tokopedia. Therefore, the author is interested in writing research entitled "The Effect of Electronic Word of Mouth (eWOM) on Consumer Interest Mediated by Brand Equity (A Study on FISIP Students, University of Lampung, Tokopedia Users)".

2. METHOD

This research is included in quantitative research in quantitative research itself which is widely used to test a theory, present a fact, or describe statistics. Analysis of Structural Equation Model (SEM) with the help of PLS tools. The sample of this research was 100 respondents using the Stratified Random Sampling technique and making criteria in the study. Based on calculations using the Slovin formula.

Descriptive statistics

According to Sugiyono (2012: 206), descriptive analysis is a statistic used to analyze data by describing or describing the data that has been collected as it is without intending to make generalized conclusions or generalizations.

Inferential Statistics

Inferential statistics often called inductive statistics or probability statistics, are statistical techniques used to analyze sample data and the results are applied to the population (Sugiyono, 2009: 207).

Measurement Model or Outer Model

The outer model is often called (outer relation or measurement model) which defines how each indicator block relates to its latent variable. The measurement model (outer model) is used to test construct validity and instrument reliability.

1. Convergent Validity

Measuring the magnitude of the relationship between variables

2. Discriminant Validity

Based on the cross-loading value of the variable measurement.

3. Average Variance Extracted (AVE)

Comparing the Square Root of Average Variance Extracted (AVE) value for each variable with the correlation between other variables in the model.

4. Composite Reliability

Measuring the consistency of measuring instruments in measuring a concept or can also be used to measure the consistency of respondents in answering statement items in questionnaires or research instruments.

Structural Model or Inner Model

The structural model (Inner Model) is a model for predicting the quality relationship between variables.

Hypothesis testing

According to Jogiyanto (2009: 87), a measure of the significance of hypothesis support can be used to compare the value of the t-table and t-statistics.

3. ANALYSIS AND DISCUSSION OF RESULTS

The results of the analysis that has been carried out on the influence between the variables studied have been described in the previous section. By paying attention to the path diagram of the SmartPLS analysis results at the final stage, the following is a picture of the relationship between these variables. The test is done by comparing the t value with the t table value, if the t value is greater than the t-table, the relationship between the variables is significant and further analysis can be carried out.

A summary of the results of the hypothesis testing analysis can be seen in the table below:

Result of Structural Model Evaluation

T Statistic T Table

1 eWOM → EM 41,113 1,985

2 EM → MK 7,608 1,985

3 eWOM → MK 2,094 1,985

Based on data that has been processed from a questionnaire that has been distributed to 100 respondents, the conclusions of the analysis of this hypothesis testing are summarized to facilitate understanding.

1. There is an influence between the Electronic Word of Mouth on brand equity

Based on the results of hypothesis testing, it is shown that there is a significant influence between the Electronic Word of Mouth variable on brand equity. In this study, the value of $t_{count} > t_{table}$ is $41,113 < 1,985$ so that the effect of the Electronic Word of Mouth on brand equity is significant.

This research is in line with research conducted by Adeliyasari et al, which emphasizes that the intensity, positive opinion, and content variables have a positive and significant effect on the respondents' purchase interest. The experiences of some consumers through the Electronic Word of Mouth can affect consumers in transacting online. This is in line with the theory of Henning-Thurau (2004: 39) which states that the Electronic Word of Mouth is a negative or positive statement made by actual, potential, or previous

consumers regarding a product or company where this information is available to people or institutions via the internet media. . Goyette (2010: 15) states that four dimensions can be used to measure Electronic Word of Mouth, namely Intensity, Positive Velence, Negative Velence, and Content.

In this research, it has fulfilled these stages by looking at the answers per variable previously discussed on the Electronic Word of Mouth variable and brand equity, many of the respondents themselves answered agree. This identifies that the Electronic Word of Mouth received by users on brand equity is already well felt by consumers in general. Consumers are satisfied that the services provided by Tokopedia have met expectations.

2. Effect of Brand Equity on Consumer Interest

The results showed that brand equity is divided into 4 dimensions and influences each other, therefore this study describes each variable from a perceived quality, brand awareness, brand association, and brand loyalty. Based on the results of hypothesis testing, four dimensions have a significant influence on consumer interest, namely perceived quality, brand awareness, brand association, and brand loyalty to consumer interest. This is reinforced by the results of $t_{count} > t_{table}$ 7608 <1,985. So it can be concluded that there is a significant influence between brand equity on consumer interest.

a. There is a significant influence between perceived quality and consumer interest

Quality is customer drive. This is because the customer makes the final decision on the quality of the products on the market. Based on these results, the hypothesis test results are accepted, which shows that the perceived quality of consumer interest has a significant effect on consumer Tokopedia users. This is because consumers tend to view the e-commerce they visit as having good quality in the eyes of consumers. The influence of both produces positive research directions.

The results of this hypothesis test are in line with the opinion of Keller (1998: 201), and Aaker (1991: 75) in Magdalena (2004: 110) which states that perceived quality can be defined as consumers' perceptions of overall quality, or the relative advantage of a product or service. against relevant alternatives by the objectives to be achieved. So the perceived quality cannot be determined objectively because these perceived qualities are perceptions that also involve what is important to the customer.

b. There is an influence between brand awareness on consumer interest

Based on the results of the hypothesis testing shown, it was found that there was a significant influence between brand awareness and consumer interest. The influence of both produces positive research directions. Brand awareness is an acceptance from consumers of a brand in the minds of consumers, where it is shown from the consumer's ability in remembering and recognizing the characteristics of a brand and linking them into certain categories. Raising awareness is a mechanism for increasing brand share.

Brand awareness is the ability of potential customers to recognize or remember that a brand belongs to a certain product category (Dewanti, 2007). Building brand awareness in the minds of consumers usually takes a long time because memorization can be successful with continuous repetition and reinforcement.

Every marketing activity always strives to get a higher and deeper level of brand awareness as the top of mind. If a brand is the only brand that is remembered by consumers, it means that the brand has high awareness and is called a dominant brand (Susanto and Wijanarko, 2004: 132).

c. There is an influence between brand association on consumer interest

Based on the results of the hypothesis testing shown, it is found that there is a significant influence between brand association on consumer interest. The influence of both produces positive research directions. In general, brand association with a brand becomes a consumer's foothold in purchasing decisions and brand loyalty. This is because when consumers routinely use or transact e-commerce, the brand will increase along with the increasing intensity of consumer interaction with the brand. An established brand will have a prominent position in the competition if it is supported by strong brand associations. Various brand associations that are interconnected about the brand will give rise to a series called a brand image. The more interconnected brand associations, the stronger the brand image.

According to Aaker (1997: 23), a brand association is all things related to the memory of a brand. The association not only exists but also has a degree of strength. The link to a brand will be stronger if it is based on experience to communicate it and if the link is supported by a network of other links. A brand is a set of associations, usually arranged in various meaningful forms.

d. There is an influence between brand loyalty on consumer interest

Based on the results of the hypothesis testing, it is found that there is a significant influence between brand loyalty and consumer interest. The influence of both produces positive research directions. Brand loyalty is a measure of consumer loyalty to a brand. This measure of consumer loyalty can provide an overview of whether or not consumers will switch to another brand, especially if the brand changes both price, facilities, and other attributes. Based on this explanation, it is clear that loyal consumers are consumers who routinely transact using their favorite e-commerce.

Loyal customers will generally continue to use or purchase the brand, even though they are faced with many alternative brands. According to Duane Knapp (2001: 8), to create absolute consumer loyalty, the key is to exceed consumer expectations and please and surprise customers whenever possible.

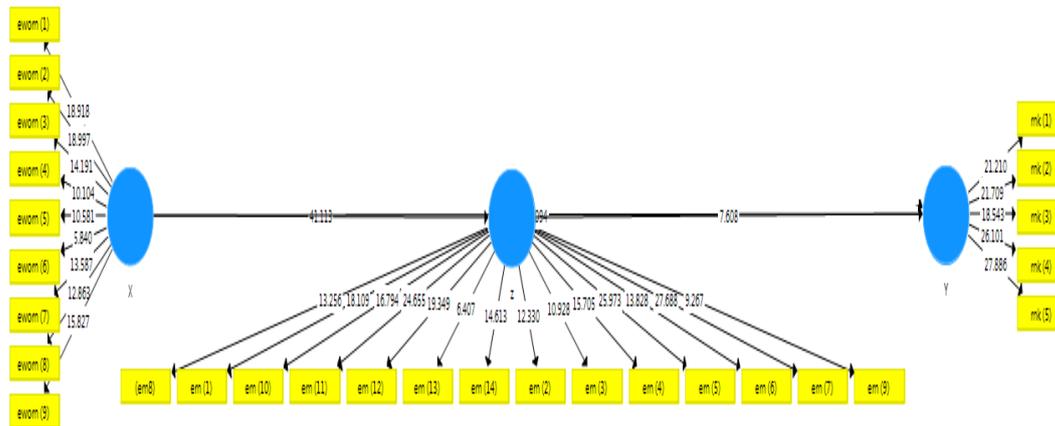
3. There is a significant influence between the Electronic Word of Mouth on consumer interest

The result of hypothesis testing shows that there is a significant influence between the Electronic Word of Mouth on consumer interest. The influence of both produces positive research directions. These results also show that the higher the Electronic Word of Mouth, the higher consumer interest will be. In line with Hamidun's (2018) research, it is concluded that the Electronic Word of Mouth has a significant effect on consumer interest. This is due to the eWOM communication that occurs so that it becomes a strong internal impetus or pull that motivates followers to take action, where this impulse is influenced by a stimulus in the form of sharing information between users. This reason is reinforced by the opinion expressed by Kotler (2000: 165), which states that interest is an impulse or a strong internal stimulus that motivates action where

this impulse is influenced by the stimulus.

3.1. Hypothesis test

With the following diagram the path of the SmartPLS analysis results at the final stage, then a picture of the relationship between these variables is presented. The test is carried out by comparing the calculated t value with the t table value, if the calculated t value is greater than the table then the relationship between the variables is significant and further analysis can be carried out. The following image presents the complete test results.



4. FINAL CONSIDERATIONS

Based on the results of research and discussion of the effect of the Electronic Word of Mouth on consumer interest mediated by brand equity, the authors draw the following conclusions:

1. Electronic Word of Mouth (X) has a significant effect on brand equity (Z). This shows that with the practice of the Electronic Word of Mouth both on the Tokopedia website or other social media to share or share experiences about the good/bad times when using Tokopedia's services, which results in increasing the brand equity owned by the company.
2. Brand equity (Z) consists of 4 dimensions, namely: perceived quality, brand awareness, brand association, and brand loyalty. Brand equity has a significant effect on consumer interest (Y) because the brand is an important factor for companies to make consumers or potential consumers choose Tokopedia.
3. Electronic Word of Mouth (X) has a significant effect on consumer interest (Y). This shows that the Electronic Word of Mouth factor from positive consumer reviews/reviews encourages other consumers to use Tokopedia.

Suggestions that can be given based on the results of this study include:

1. Suggestion for Tokopedia: Tokopedia can focus on two dimensions namely perceived quality and brand association. Both of them have lower values than the other dimensions. So that Tokopedia needs to do positioning by determining a clear target market and strengthening public relations utilizing promotion on social media.
2. Suggestions for researchers: future research can look at other factors in examining consumer interest in

the context of eWOM. The next researcher can add qualitative data through interviews so that the results of the research are deeper in seeing consumer behavior.

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