The Effect of Social Media and Word of Mouth on Purchase Decisions at the MayShopping Store

Asyifa Atma, Sri Ernawati*

Program Studi Manajemen, Sekolah Tinggi Ilmu Ekonomi Bima, Kota Bima, Indonesia

ABSTRACT

This researcher aims to examine the influence of social media and word of mouth on purchasing decisions at the MayShopping store. This study aims to determine the effect of social media and word of mouth on purchase decisions at the MayShopping store. The method of collecting data in this study was carried out by distributing questionnaires to 96 consumers of MayShopping store respondents. The research method used is the associative method. Data analysis uses validity test, reliability test, classic assumption test, multiple linear regression test, correlation coefficient test, coefficient of determination test, T test and F test. The results of this study indicate that Social Media has a significant effect on purchase decisions with a calculated t value of 9.215 > 1.661 and a significant 0.000 <0.05. Word of Mouth has a significant effect on purchase decisions with a tcount of 3.056 > 1.661 and a significant 0.003 <0.05. Social Media and Word Of Mouth together have a significant effect on purchase decisions with a Fcount of 13.053 > 3.99 and a significant value of 0.000 <0.05.

Keywords: Social Media, word of mouth, Purchase

Introduction

Social media is a powerful way to promote goods and services owned by business people through internet marketing. Meanwhile, according to Gordhamer, social media marketing refers to Prastyo (2014), is the use of social media related to marketing activities, where companies want a change from “trying to sell” to “making connections” with customers. Social media marketing also makes communication with customers closer, trying to show a brand more than trying to control an image. From previous studies, it was also found that marketing through social media has an opportunity for sellers and buyers to interact with each other.

Social media is used as a tool for marketing, all social media are now integrated with each other (Saragih 2015). Based on research by Harmoni and Riyantoro (2013) regarding One of the potentials that can be utilized today is information technology and social media. The current developments in technology and social media have made humans no longer care about the boundaries of distance, space and time, it’s easy and free. At this time, social media is media that is widely accessed by internet users and has become an inevitable part of its users (netizens). Social media, which initially only served as a friendship site and exchange of information among friends or close relatives, is
now widely used as a marketing ground for companies and online stores. The business world sees this development as an opportunity and a tool for marketing, all social media are now integrated with each other (Saragih 2015).

Kotler and Keller (2012: 478), explain Word of Mouth is a conversation from person to person, written, or electronic communication equipment related to the benefits or experience of buying or using a product or service. Meanwhile, according to Sernovitz (2012: 12) word of Mouth is about people talking to customers, instead of doing marketing talks. From some of the definitions above, it can be concluded that word of mouth is about people talking to each other about the experience of using a product and recommending it to other people as a substitute for marketers doing This conversation, in other words, consumers carry out promotions without being tied to the company and without being paid by the company, consumers usually only tell about their experiences using certain products.

Purchasing decision is the buyer’s decision about which brand to buy. Consumers can form an intention to buy the most preferred brand. Purchasing decision is a process of making a decision to purchase which includes determining what to buy or not to make a purchase (Kotler and Armstrong, 2017). According to Kotler, (2017), "Purchasing decision is a stage where the consumer has a choice and is ready to make a purchase or exchange between money and a promise to pay for the ownership or use of an item or service". Kotler, 2017 also explains what is meant by a purchasing decision is a problem solving process that consists of analyzing or recognizing needs and desires to behavior after purchase. Purchasing Decision Indicators used are decisions about the type of product, decisions about brands, decisions about the seller, decisions about the number of products.

MayShopping store is a store that sells various kinds of goods such as accessories, office stationery (ATK), dolls, sandals, shoes, furniture, bags etc. MayShopping store is one store that uses social media as a promotional tool. According to the results of observations, that the MayShopping store uses two social media accounts, namely Facebook (4,989 friendships and followed by 793 people) and Instagram (1,067 followers) in carrying out its marketing, but researchers found problems with one of the social media accounts, namely MayShopping's Instagram which is less active in promoting MayShopping store products and consumers who have purchased at the MayShopping Store do not apply word of mouth to prospective buyers so that there are still consumers around who do not know the existence of the MayShopping store.

Method
This research uses the type of associative research. Associative research is research that aims to find out the relationship between two or more variables (Sugiyono, 2019). The research instrument used a questionnaire with a Likert scale. The population in this study were all consumers who had purchased at the MayShopping Store, the number of which was not known with certainty, with a sample size of 96 people. The sampling technique was purposive sampling. The location of this research was in Tente Pertokoan Village, Woha District, Bima Regency, Nusa West Southeast, 84171. Data collection techniques with observation, questionnaires and literature study. Data analysis techniques by conducting validity test, reliability test, classic assumption test, multiple linear regression test, correlation coefficient test, determination coefficient test, T test and F test.

Results and Discussion

Validity test
Used to determine whether or not a questionnaire is valid. A model is said to be valid if the significant value is below 0.05 or 5%. The test criterion is if r count > r table then the instrument or statement items have a significant correlation with the total score (declared valid). The amount of data (n) = 127, and df = 127-2, then the r table is 0.1743.

Reliability Test
Reliability test in this study an instrument was declared reliable if the Cronbach Alpha value was above 0.600. If the Cronbach Alpha value of an instrument is below that value, the
instrument is declared unreliable. In this test the number of independent variable instruments that will be tested is 20 instruments for Motivation, 20 instruments for Work Discipline and 20 instruments for Employee Performance which have been declared valid. The results of the reliability test for each indicator of this research variable can be seen in the following table:

Table 1. Reliability test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number Of Items</th>
<th>Cronbach's</th>
<th>Standard Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media</td>
<td>8</td>
<td>0.746</td>
<td>0.600</td>
</tr>
<tr>
<td>Word Of Mouth</td>
<td>10</td>
<td>0.763</td>
<td>0.600</td>
</tr>
<tr>
<td>Buying Decision</td>
<td>10</td>
<td>0.849</td>
<td>0.600</td>
</tr>
</tbody>
</table>

Source: Primary Data is Processed, 2023

In table 2 above, the results of the reliability test for statement items on the Social Media variable (X1), Word of mouth (X2) and purchasing decisions (Y) with Cronbach’s Alpha values have reached or more than the standard set, namely 0.600, meaning that all statement items from the questionnaire is declared reliable or accurate for use in research calculations.

Normality Test

Aims to test whether in the regression model, the dependent variable and independent variable, both have a normal distribution or not. The normality test was carried out on the residual research data using the Kolmogorov Smirnov test. If the histogram is normally distributed then the data obtained is declared normal, meanwhile if the PP plot forms a diagonal line then the data obtained is declared normal.

Multicollinearity Test

Table 2. Multicollinearoty Test

<table>
<thead>
<tr>
<th>Coefficientsa</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>SOCIAL MEDIA</td>
<td>.991</td>
</tr>
<tr>
<td>WORD OF MOUTH</td>
<td>.991</td>
</tr>
</tbody>
</table>

a. Dependent Variable: BUYING DECISION

Source: Primary data is processed Spss v20 2023

Based on the Collinearity Statistical value of the output above, the Tolerance value for social media variables (X1) and word of mouth (X2) is 0.991 > 0.10 while the VIF value for social media variables (X1) and word of mouth (X2) is 1.009 < 10.00. it can be concluded that there are no multicollinearity symptoms in the regression model.

Table 6. The results of multiple linear regression analysis
From the results of the regression analysis, it can be seen that the multiple regression equation is as follows:
\[ Y = 1.058 + 0.951 X_1 + 0.235 X_2 + e \]
Based on these equations, it can be explained as follows:

- A constant value of 1.058 means that if the social media and word of mouth variables are considered zero, then the purchase decision will be 1.058.
- The beta coefficient value on social media is 0.951, meaning that every change in the social media variable (X1) by one unit will result in a change in purchasing decisions by 0.951 units, assuming other assumptions are constant. An increase of one unit in the word of mouth variable will increase the purchase decision by 0.951 units.
- The beta coefficient value on the word of mouth variable is 0.235, meaning that every change in the word of mouth variable (X2) by one unit will result in a change in purchasing decisions of 0.235 units, assuming other assumptions are constant. An increase of one unit on social media will increase purchasing decisions by 0.235 units.

So the correlation between social media and word of mouth on purchasing decisions is 0.731 in the interval 0.60 - 0.799 with a strong relationship level.

**Coefficient of Determination**

So there is an influence between social media and word of mouth on purchasing decisions where the magnitude of this influence can be expressed quantitatively by testing the coefficient of determination and then the Coefficient of Determination (R Square) is 0.534 or 53.4%, while the remaining 46.6% is influenced by other factors not examined in this study.
**H1** : Social Media Has a Significant Influence on Purchase Decisions at the MayShopping Store
The results of the t-test statistic for social media variables obtained a tcount value of 9.215 with a ttable value of 1.661 (9.215 > 1.661) with a significance value of 0.000 less than 0.05 (0.000 <0.05), so the first hypothesis states that "Media Social Significant Influence on Purchase Decision at MayShopping Store" accepted. This research is in line with the results of research from Indriyani & Suri, 2020 stating that social media has an effect on purchasing decisions in fast fashion.

**H2** : Word Of Mouth Has Significant Influence On Purchase Decisions At MayShopping Store
The statistical results of the t test for the word of mouth variable obtained a tcount of 3.056 with a ttable value of 1.661 (3.056 > 1.661) with a significance value of 0.003 less than 0.05 (0.003 <0.05) so the second hypothesis states that "Word Of Mouth Has a Significant Influence on Purchasing Decisions" accepted. This research is in line with the results of research from Dewi Astuti & Sri Ernawati 2020 stating that word of mouth influences the decision to purchase woven products in Bima City.

**H3** : Social Media and Word Of Mouth together have a significant effect on purchasing decisions at the MayShopping Store.
From the test results, the Fcount value was 13.053 with a Ftable value of 3.99 (13.053 > 3.99) with a significance of 0.000 (0.000 <0.05). Because the significance value is less than 0.05 (0.000 <0.05), it can be concluded that the third hypothesis which states that "social media and word of mouth together have a significant effect on purchasing decisions at the MayShopping store" is "accepted".
This research is in line with the results of research from Jecky & Rezi Erdiansyah 2021 which states that social media advertising and word of mouth have a positive and significant effect on purchasing decisions.
Conclusion
Based on the discussion of the results of the analysis that has been carried out, with the dependent variable Purchase Decision with the Independent Social Media and Word of mouth variables, the researcher can draw conclusions that:

a. Social Media has a significant effect on purchasing decisions at the MayShopping store.

b. Word of mouth has a significant effect on purchasing decisions at the MayShopping store.

c. Social media and Word of mouth together have a significant effect on purchasing decisions at the MayShopping store.

Suggestions that can be given by researchers in this study are that there will be future research using other variables that are not included in this study such as product quality, product design, service quality, price, brand image, and other variables that can make further research more interesting and can explain the phenomenon of purchasing decisions more comprehensively. And the researchers also hope that in the future MayShopping Store can increase the activity of its Instagram account so that sales will increase and be able to compete in the future.

References


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