THE EFFECT OF E-WOM, PERCEIVED QUALITY, ON PURCHASE INTENTION AT SHOPEE ONLINE STORE IN MANADO

EFEK DARI E-WOM, PERSEPSI KUALITAS, TERHADAP NIAT BELI PADA TOKO ONLINE SHOPEE DI KOTA MANADO

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Abstract: This study aims to find out how much influence e-WOM has on consumer purchase intentions that occur in the community in Manado City during the COVID-19 pandemic using one of the platforms that continues to grow, namely Shopee with the research title "The Effect of e-WOM, Perceived Quality, on Purchase Intention at Shopee Online Store in Manado." Electronic word of mouth is a positive or negative statement made by potential customers, actual customers, and former customers about a product or company via the internet. This study uses quantitative methods. To achieve this goal, the researchers distributed questionnaires and the sample used was 100 respondents. The results of this study indicate that e-WOM (X_1) partially has a significant effect on consumers' purchase intentions, while perceived quality (X_2) partially have no significant effect on consumers' purchase intentions, and e-WOM and perceived quality simultaneously have a positive effect on purchase intentions consumer.

Keywords: electronic word of mouth, perceived quality, purchase intention

***Abstrak:** Penelitian ini bertujuan untuk mengetahui seberapa besar pengaruh e-WOM terhadap niat beli konsumen yang terjadi pada masyarakat di Kota Manado pada masa pandemi COVID-19 menggunakan salah satu platform yang terus berkembang yaitu Shopee dengan judul penelitian "Pengaruh e-WOM, Perceived Quality, terhadap Purchase Intention di Toko Online Shopee Manado." Electronic word of mouth adalah pernyataan positif atau negatif yang dibuat oleh calon pelanggan, pelanggan aktual, dan mantan pelanggan tentang suatu produk atau perusahaan melalui internet. Penelitian ini menggunakan metode kuantitatif. Untuk mencapai tujuan tersebut, peneliti menyebarkan kuesioner dan sampel yang digunakan adalah 100 responden. Hasil penelitian ini menunjukkan bahwa e-WOM (X1) secara parsial berpengaruh signifikan terhadap niat beli konsumen, sedangkan persepsi kualitas (X2) secara parsial tidak berpengaruh signifikan terhadap niat beli konsumen, dan e-WOM dan persepsi kualitas secara simultan berpengaruh signifikan terhadap niat beli konsumen. berpengaruh positif terhadap niat beli konsumen.*

Kata Kunci: e-WOM, persepsi kualitas, niat beli

INTRODUCTION

The presence of COVID-19 has changed new habits in society. There have been many shifts and changes in consumer behavior that have occurred after the emergence of the pandemic. Starting from small habits in everyday life to habits that change lifestyle. Changes in consumer behavior today, of course, occur because of the encouragement of changing conditions that force them to adapt to these conditions. This is because consumers also need time to readjust to their old habits and behaviors. Consumers of course are now accustomed to shopping or doing activities with minimal physical contact and carrying out health protocols anywhere because they still don't feel safe since the presence of the COVID-19 pandemic. When there is a large-scale

social restriction, people need technology that can support their shopping activities. With the internet, it is easier for people in Indonesia to shop online. Social media is one of the tools used in online shopping. Therefore, the frequency of shopping at conventional stores has decreased.

Research Objectives

1. To identify the effect of e-WOM (electronic word of mouth) and perceived quality on purchase intention at Shopee
2. To identify how the effect of e-WOM (electronic word of mouth) on purchase intention at Shopee
3. To identify how the effect of perceived quality on purchase intention at Shopee

THEORETICAL FRAMEWORK

Marketing

Marketing is the activity of creating, delivering, communicating and exchanging value between individuals or more. Kotler and Amstrong (2006) broadly defined marketing as "a social and managerial process by which individuals and group obtain what they need and want through creating and exchanging value with other.

Service Marketing

According to Kotler and Keller (2012), service is any act or deed that can be offered by one party to another which is essentially intangible and does not result in ownership of anything.

Word of Mouth

According to Hasan (2010), word of mouth is a compliment, recommendation and customer comments about their experience of services and products that really influence customer decisions or their buying behavior.

Electronic Word of Mouth

Electronic Word Of Mouth, namely word of mouth marketing is oral, written, and electronic communication between people related to the advantages or experiences of buying or using a product or service. Hennig-Thurau et al. (2004) stated that e-WOM is a positive or negative statement made by potential consumers, real consumers, or former consumers about a product or company that can be accessed by many people or institutions via the internet.

Perceived Quality

According to Tjiptono (2012), perceived quality is a consumer's assessment of the overall superiority of a product or service in terms of its function relative to other products.

Purchase Intention

Purchase intention is a process that occurs when consumers see preferences for a product at a stage where consumers will evaluate purchases and actual purchase behavior (Rizqia and Hudrasyah, 2015).

Previous Research

Erkan and Evans (2016) examined the influence of these conversations in social media on consumers' purchase intentions. For this purpose, a conceptual model was developed based on the integration of Information Adoption Model (IAM) and related components of Theory of Reasoned Action (TRA). The new model, which is named as Information Acceptance Model (IACM), was validated through structural equation modelling (SEM) based on surveys of 384 university students who use social media websites. The results confirm that quality, credibility, usefulness and adoption of information, needs of information and attitude towards information are the key factors of eWOM in social media that influence consumers' purchase intentions.

Bataineh (2015) examined the impact of perceived electronic word of mouth (eWOM) on purchase intention; by taking the corporate image as mediating variable. This research adopted the customers' views; secondary schools students who are familiar and have an active account on one or more of these social networking sites (Facebook, Twitter, Youtube, and Instagram). The conceptual framework of this study was tested using data gathered from the questionnaires directed to a total sample of 1000 students located in Amman.

The statistical results of the multiple regression test indicated that eWOM quality, eWOM credibility, and eWOM quantity respectively; are significantly and positively impact purchase intention. In terms of the mediating role of corporate image the results indicated that corporate image mediate the relationship between the independent and dependent variables.

Hanslim, Jaya, and Prasetyawati (2020) determined the effect of perceived quality on buying interest through the Culinaria Modena event. The results of the study stated that there is a strong influence between perceived quality on buying interest through events. This states that the event is a strategic marketing communication to build buying interest.

Conceptual Framework
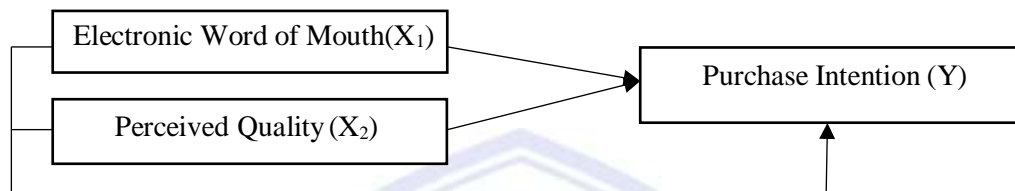
Figure 1. Conceptual Framework
Source: Literature Review

Research Hypothesis
H1: There is a significant effect of Electronic Word of Mouth and Perceived Quality on Purchase Intention
H2: There is a significant effect of Electronic Word Of Mouth on Purchase Intention
H3: There is significant effect of Perceived Quality on Purchase Intention

RESEARCH METHOD

Research Approach
This research will use quantitative approach in order to collect the data. Quantitative research is the measurement of quantitative data and objective statistics through scientific calculations derived from a sample of people or residents who are asked to answer a number of questions about the survey to determine the frequency and percentage of their responses.

Population, Sample, and Sampling Technique
The target population and sample are explained below; include the sampling technique and sampling size, to describe the respondents' or informants' criteria before doing the research

Data Collection Method
Data collection method is a technique or ways that the researcher used to collect the data. The data consist of two types between primary data and secondary data. Primary data are gained from semi in-depth interview and secondary data are taken from several books, journals, and previous research.

Operational Definition of Research Variable
1. Electronic Word of Mouth is word of mouth marketing is, written and electronic communication between people related to the advantages. Indicators: Platform Assistance, Online Consumer Review, Loyalty, and Concern For Other Costumer.
2. Perceived Quality is customer perceptions of the overall quality or superiority of a product or service compared to other products or services and in relation to the expected objectives. Indicators: Serviceability, Reliability, Product Characteristic, and Conformance to Specification.
3. Purchase Intention a situation where consumer tends to buy a certain product in certain condition. Indicators: Attention, Interest, and Action.

Validity and Reliability

Validity is about the accuracy of the measure. According to Sugiyono (2018), Validity is a measure that shows the degree of accuracy between the data that occurs on the object with data collected by researchers. The questionnaire can be said to be valid if the statement in the questionnaire is able to express something that can be measured. According to Ghozali (2013), Reliability is a toll for measuring a questionnaire which is an indicator of a variable. A questionnaire can be said to be reliable if the respondent's answers to questions are consistent or stable from time to time. Therefore if measurements are made twice or more for the same symptoms the results remain consistent and can be trusted, then the measurement is considered to have a good level of reliability.

Multiple Linear Regression Model

According to Anderson et al (2011), Multiple regression analysis is the study of how a dependent variable y is related to two or more independent variables. The starting point of multiple regression analysis is the conceptual model and the hypotheses derived from that model that the researcher has developed in an earlier stage of the research process. The formula of multiple regression models in this research is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Description:
Y   = Purchase Intention
α = Intercept
$\beta 1, \beta 2$ = The Regression Coefficient of Each
X1   = Electronic Word of Mouth
X2   = Perceived Quality
e   = Error Standard or Error Term

RESULT AND DISCUSSION

Result
Validity Test

The purpose of validity test is to know whether the instrument is valid or not. Theoretically, if the correlation coefficient between the value of one indicator and the total value of all indicators is equal to and more than 0.3 ($r \geq 0.3$) and below the significance level of 5%.

Variable	Indicators	Pearson Correlation	Sig (2-tailed)	N	r table	Status
Electronic Word of Mouth (X1)	Platform Assistance	.788	0.000	100	0.3	Valid
	Online Consumer Review	.748	0.000	100	0.3	Valid
	Loyalty	.789	0.000	100	0.3	Valid
	Concern for other consumers	.824	0.000	100	0.3	Valid
Perceived Quality (X2)	Serviceability	.887	0.000	100	0.3	Valid
	Reliability	.884	0.000	100	0.3	Valid
	Product Characteristics	.847	0.000	100	0.3	Valid
	Conformance to Specification	.797	0.000	100	0.3	Valid
Purchase Intention (Y)	Certainty of Buying	.794	0.000	100	0.3	Valid
	Conviction to Buy	.877	0.000	100	0.3	Valid
	Conviction to Spend Time	.902	0.000	100	0.3	Valid

Source: SPSS Output (2021).

From the result of the table it can be seen that value of correlation index for relationship among indicators within variable independents (Electronic Word of Mouth, Perceived Quality) with indicators fron variable dependent (Purchase Intention) are greater than 0.3 and below the significant level of 5% (0.05). Therefore, the data is valid.

Reliability Test

Reliability test is used to check the consistency of the measurement instrument. To see whether the data is reliable or not, Alpha Cronbach test is utilized as reliability test in this research.
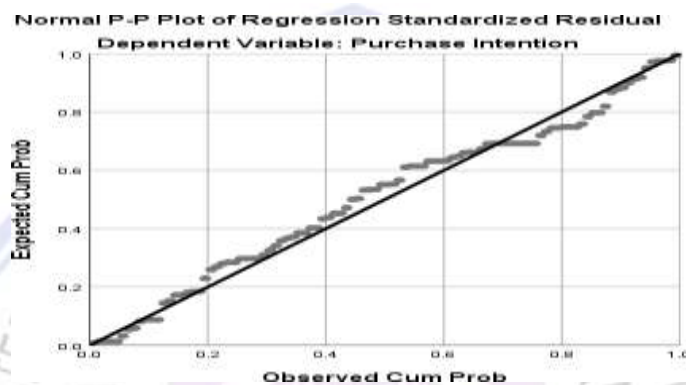
Cronbach's Alpha	N of Items
.927	11

Source: SPSS Output (2021).

The output of SPSS shows that the value of Cronbach's Alpha of 13 items used in this research is 0.927. The data is considered as reliable since the value of Cronbach's Alpha is above the minimum value which is 0.6.
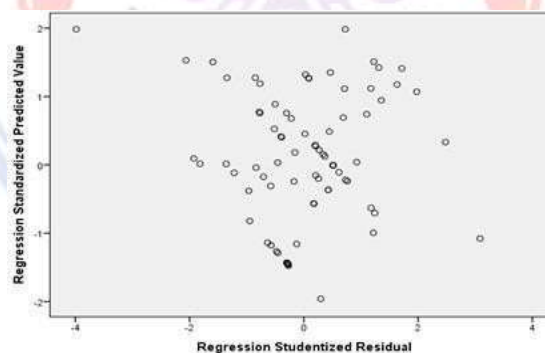
Classical Assumption Test
Normality Test

Figure 2. Normality Test
Source: SPSS Output (2021)

Figure shows that the dots are spreading near to the diagonal line and follow the direction of the diagonal line. Therefore, the normality test is accepted which means the data of this research is normally distributed.

Heteroscedasticity Test

Figure 3. Heteroscedasticity Test
Source: SPSS Output (2021)

Recall that the Multiple Linear Regression model is used to determine the effect of several independent variables on a dependent variable. The computation was done using SPSS 22 software. From the result in the table above, the model define as:

$$Y = .890 + .536x1 + .129x2 + e$$

The multiple linear regression equation cab be interpreted as follows:
1. Constant value of .890 means that in a condition of ceteris paribus, if all independent variables equal to zero, then Purchase Intention (Y) as dependent variable will be .890

2. X1' s coefficient value of .536 means that if there is one unit increase in Electronic Word of Mouth (X1) then the Purchase Intention (Y) will improve and increase by .536

3. X2's coefficient value of .129 means that if there is one unit increase in Perceived Quality (X2) then the Purchase Intention (Y) will improve and increase by .129

Hypothesis Test
F-test

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	356.900	2	178.450	68.132	.000[b]

Source: SPSS Output (2021)

Table shows the value of Fcount is 68.132. The value of Ftable is found on the F Distribution Table, with level of significance is 0.05 ($\alpha = 0.05$) and the level of confidence is 95% then Ftable is 3.09. The result is Fcount (68.132) > Ftable (3.09). Therefore, since Fcount is greater than Ftable, Hypothesis is accepted which means the independent variables simultaneously influence the dependent variable significantly.

T-test

Coefficients[a]

Variable	tcount	ttable	Description
Electronic Word of Mouth (x1)	5.404	1.984	Accepted
Perceived Quality (x2)	1.367	1.984	Rejected

Source: Data Processed (2021)

The value of t-count of X1 is 5.404 since the value of tcount = 5.404 > ttable
1. = 1.984 meaning that hypothesis is accepted. The result of this declares that X1 (Electronic Word of Mouth) partially does have an effect on Purchase Intention (Y).
2. The value of t-count of X2 is 1.367 since the value of tcount = 1.367 > ttable = 1.669 meaning that hypothesis is rejected. The result of this declares that X2 (Perceived Quality) partially does have an effect on Purchase Intention (Y).

Discussion
Electronic Word of Mouth on Purchase Intention

In this study, there are 4 indicators of e-WOM, namely platform assistance, online consumer reviews, loyalty, concern for other customers. In this case, the object is customers who shop through the Shopee platform. On the platform assistance indicator, most of them answered agree because they felt that the Shopee platform could make shopping online easier. So that it makes customers feel comfortable in shopping at Shopee. Furthermore, the online consumer review indicator, some respondents answered agree because they felt that they often read interesting reviews from other consumers on social media such as Instagram, Facebook, Twitter, and others. So that it makes customers feel interested in the products that Shopee offers. After that, the loyalty indicator, some respondents agreed because they felt that they would make the Shopee platform their subscription platform for online shopping. So they will make Shopee the most preferred online shopping platform. And the last indicator is concern for other customers, some respondents answered agree because they feel they will recommend Shopee to other consumers. So they will recommend Shopee to consumers who have never used Shopee as an online shopping platform. This means that e-WOM has a positive and significant effect on purchase intention at shopee. The results of this study support previous research conducted by Bataineh (2015) that eWOM significantly and positively impact purchase intention.

Perceived Quality on Purchase Intention

The results of multiple regression analysis show that perceived quality is partially insignificant or has no effect on purchase intention. The problem that may occur in terms of perceived quality is the quality of Shopee itself. Based on indicators of perceived quality, namely serviceability, reliability, product characteristics and conformance to specification, some respondents may still be dissatisfied with the quality of services provided by the Shopee platform, and the features available at Shopee are also still poorly understood by respondents such as chat features, Shopee live, and Shopee pay so that it can be concluded that there is no

significant effect on perceived quality on consumer purchase intentions.. This is different from previous research conducted by Hanslim, Jaya, and Prasetyawati (2020) that there is a strong influence between perceived quality on buying intention.

Electronic Word of Mouth and Perceived Quality on Purchase Intention

The last discussion is how e-WOM and perceived quality affect Purchase Intention. In this discussion, we will discuss the effect of e-WOM and Perceived Quality variables on purchase intention at Shopee in Manado city. And the results of the tests carried out show that the e-WOM and Perceived Quality variables have a positive and significant effect on purchase intention. This means that if you look at it again simultaneously, e-WOM and perceived quality have an effect on purchase intention at Shopee in Manado city

CONCLUSION AND RECCOMENDATIONS

Conclusion

After doing research on The Influence of e-WOM, Perceived Quality, on Purchase Intention at Shopee in Manado, it can be concluded that:
1. The results showed that e-WOM (X1) had a positive and significant effect on purchase intention at Shopee in Manado City. This can indicate that e- WOM has a good effect on purchase intention. The results obtained greatly affect a person in choosing a product online, because this information is very relevant to what a person needs in making his choice. The existence of recommendations or reviews given by other consumers will be able to influence consumers' purchase intentions.
2. The result showed the perceived quality variable (X2) in partially has no significant effect on consumers' purchase intentions (Y).
3. The results showed that in simultaneously e-WOM and perceived quality had a positive effect on consumers' purchase intentions.

Recommendation

Based on the above conclusions from research on the effect of e-WOM, perceived quality, on purchase intention, the researcher makes the following recommendations:
1. To be able to increase sales, Shopee should display many product
2. Recommendations on various social media such as Instagram, Twitter, Facebook, and others. These recommendations will attract customers to read online consumer reviews or information and even conduct online consultations so that they are interested in purchasing the products offered at Shopee.
3. For the perceived quality on Shopee, Shopee should be more selective in paying attention to every available feature such as the chat feature, Shopee pay, Shopee free shipping/voucher, Shopee live, and so on. And it is necessary to improve services, online ordering facilities, and product availability so as to make consumers comfortable with services at Shopee. Because the perceived of high quality will lead consumers to choose Shopee compared to other platforms.

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