

The Effect of E-WoM on Buying Decisions Mediated by Brand Trust for SMES

Dimas Nugroho Dwi Seputro ^{1*}, Dwi Esika Putri ²

¹ Management, Universitas Gadjah Mada, Yogyakarta, Indonesia

² Manajemen, Universitas Muhammadiyah Yogyakarta, Address, Yogyakarta, Indonesia

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ABSTRACT

Electronic word-of-mouth (E-WoM) is a potential and practical statement communicated by customers using goods or services. Brand trust is a measure of customer trust in a business because their expectations of the brand will lead to better results. Purchasing decisions are consumer behavior in making decisions to buy after considering the selection of various aspects such as: product selection, brand, condition, and number of desired goods. The purpose of this research is to know how much influence Electronic Word of Mouth (E-WoM) has on buying decisions mediated by Brand Trust in SMES, to find out how much influence Brand Trust has on buying decisions in SMES, and to find out the magnitude of the influence of Electronic Word of Mouth (E-WoM) on Purchase Decisions is mediated by Brand Trust in SMES. The results of this study have a significant and positive effect on electronic word of mouth and brand trust. there is a significant and positive influence on brand trust on purchasing decisions. There is a significant and positive indirect influence on electronic word of mouth (E-WoM) on purchasing decisions mediated by brand trust.

Corresponding Author:

Dimas Nugroho Dwi Seputro, Management Department, Universitas Gadjah Mada, Yogyakarta, Indonesia.

Email: mailtodimaseputro@gmail.com

INTRODUCTION

Social Media has now become a trend in marketing communications. Social media is a group of internet-based applications that are built on ideological and technological frameworks, and allow for the exchange of information content from internet users. Examples of social media that are currently developing are: twitter, facebook, myspace, youtube, instagram, path, whatsapp, line, etc. Given the importance of information about how to use social media for SMES and their benefits, it is necessary to conduct an observational study (Konstantopoulou et al., 2019). Communicate with consumers, and develop a wider market network. this shows that the perception of the benefits of using information technology is one of the driving factors for SMES to use information technology media (Harrigan et al., 2021). Social media is one of the media that facilitates interactive communication between entrepreneurs and anyone, including consumers, and various interested parties, anytime and anywhere. Social media is very helpful as a liaison of information and communication from producers to consumers wherever they are and whatever the distance.

From social media now we can make online purchases that really need recommendations from friends, family and so on because we can't see directly so that various concerns arise such as items that don't fit, items that don't fit. ships and others (Haudi et al., 2022, p.). Electronic word of mouth (E-WoM) can be said to spread review information from previous consumers who have used a product via the internet. E-WoM as an expression of the actual and potential strengths or weaknesses of the product. Information about this product review can be found on social media (Reza Jalilvand & Samiei, 2012). E-WoM is considered to be more efficient than standalone WoM due to its greater reach and availability. The information in E-WoM can guide consumers effectively when evaluating a product or brand. E-WoM provides consumers with information about the quality of their products or services. E-WoM can also reduce the number of consumers who buy a product or service. With electronic word of mouth, we can make people more confident to buy products because there are reviews about items from people we trust, be they friends or even influencers. The use of electronic word of mouth through social media can make it viral and trend so that it can reach a wider range of potential consumers. Almost everyone must have and use social media. These social media include Youtube, Whatsapp, Line, Facebook, Instagram and so on. These social media users range from the elderly to the younger generation, especially the millennial generation. The existence of this social media makes us get more friends and reach consumers because we can interact with each other without having to meet face to face. By using social media, you can connect with consumers or potential customers easily because they are not limited by distance and time. In addition, social media can be used to make sales, create advertisements or promotions, share content, share information, etc. The existence of various new platforms in the world of social media, namely promoting and helping communicate with consumers is not yet known. Social media is related to relational marketing and thus Every company should be able to change its origin to "try to sell" to "make a connection" with its consumers (Khiong, n.d.). Social media marketing is a way of giving everyone the opportunity to market a website, product, or service and communicate it to the public on a traditional, broad scale. Social media marketing is an effort made by companies to promote through social media because on social media there is a large community and compared to advertising in the traditional way (Et.al, 2021).

E-WoM for SMES products is also widely available on social media, with positive and negative reviews. Electronic word of mouth is useful for customers to shop for SMES products. Customers can immediately see online reviews of desired items at the time of purchase, which can have a major impact on their purchasing decisions (Reza Jalilvand & Samiei, 2012). Decision is the choice of a person's action. Consumers who want to choose must have other options. Purchasing decisions find that the activities they do are systematically related to the options for the goods to be purchased so that they will motivate them to order these goods. Trust is the main factor in conducting transactions indirectly (Mbeté & Tanamal, 2020). This makes e-commerce mandatory to give a sense. Based on the background, the title is "The Influence of E-WoM on Purchase Decisions Mediated by Brand Trust for SMES Products ". The purpose of this study is to see how much Electronic Word of Mouth (E-WoM) affects the brand trust of SMES products, how much brand trust affects purchasing decisions on social media, and Electronic word of mouth affects purchasing decisions mediated by brands trust SMES product.

LITERATURE REVIEW

Word-of-mouth (WOM) has been recognized as one of the most influential sources of information transmission since the dawn of human society. Prior to the Internet era, consumers shared product-related experiences through traditional WoM (eg, discussions with friends and family) (Harahap et al., 2018). The global nature of the internet has created an e-WOM communication medium between

consumers who have never met (López & Sicilia, 2014). E-WoM is a communication medium to share information about a product or service that has been consumed between consumers who initially did not know each other and met previously which was delivered electronically. Currently, the internet allows consumers to share experiences and opinions about a product through e-WoM activities. The phenomenon of e-WoM has changed people's behavior due to the growth of internet usage. People often make offline decisions based on online information; In addition, they tend to rely on the opinions of other consumers when making decisions about things like which movies to watch or what stocks to invest in. Online marketplaces allow customers to write recommendations that influence potential customers. E-WoM as a positive or negative statement made by a potential, current or former customer about a product or company, which is made available to many people and institutions through the internet. Similarly, e-WoM is scalable as comments on a product are written and available on the Website.

Online consumer reviews, a type of e-WoM, involve positive or negative statements made by consumers about products sold in internet shopping malls. In addition, online consumer reviews provide product information and recommendations from the customer's perspective. Online consumers are becoming increasingly important as consumers continue to buy products online. When consumers cannot judge a product directly, they often rely on this e-WoM transfer to reduce risks related to product quality and seller honesty. There is recent empirical evidence that consumer reviews are important for product sales. Online consumer reviews play a major role in the decision to purchase a product or service, according to a recent survey from Opinion Research Corporation. Online consumer reviews convey the normative beliefs of others, which indicate whether other consumers like or dislike a product. According to the valence of the review, normative influence can occur in different ways. When reviews about a product are overall positive, potential consumers are likely to think the product is desirable according to the reviewers. On the other hand, when they read an overall negative review of a product, consumers may reject or dislike it because disagreeing with others tends to cause psychological discomfort (Harahap et al., 2018). Many reviews lead to brand trust. The more positive reviews a product or brand gets, the more customers trust a product or brand.

Brand Trust is a conducive feeling of consumers through their interactions with brands based on a sense of consumer confidence in the responsibility according to a brand (S. M. DAM & DAM, 2021). Based on this definition, it can be concluded that brand trust is a consumer's perception of a brand or product which from consumers can be useful and has a conducive feeling as a result, consumers believe that the product or brand can meet consumer expectations. Trust will arise if consumers already know satisfaction because they have consumed or used products using certain brands. So it can be interpreted that brand trust is consumer trust in a product brand to be purchased and gives positive results from the product brand itself. In previous research (T. C. DAM, 2020), it was found that brand trust has a significant effect on purchasing decisions. In research (Mbetse & Tanamal, 2020) partially the trust variable has an effect on purchasing decisions in e-commerce. Consumers feel confident or not afraid of losing their money to make transactions, because sellers offer honest information to consumers. Where this shows that the high level of consumer confidence, the consumer purchasing decisions also increase.

In a previous study (Reza Jalilvand & Samiei, 2012) it was found that e-WoM can significantly affect product sales. Compared to traditional WOM, e-WoM has the features of extensive information dissemination, fast, large volumes of information, can be stored, received instantly, anonymously and transcends space and time. Through e-WoM activities, consumers can obtain a high level of market transparency. Moreover, they can take a more active role in the value chain and influence products and

prices according to individual preferences. And they can make their opinions easily accessible to other internet users.

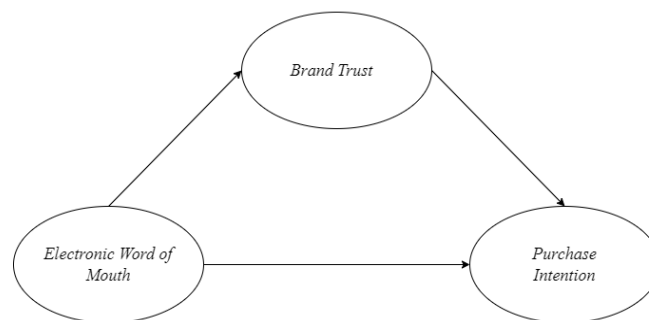


Figure 1. Celebrity Endorsement marketing mechanism

Small and medium enterprises SMES can use e-WoM because of its ease of use, low cost, technical management, and ability to connect with many potential consumers (Tajudeen et al., 2018). Social media adoption is growing exponentially among businesses (Chatterjee & Kumar Kar, 2020) and is currently considered a key strategy. However, the company uses several different social media platforms. e-WoM is a popular choice for SMES because it allows clear communication, and gives companies the opportunity to understand and respond competently and proactively to customer-needs. e-WoM is also a relatively inexpensive option for analytics, conversion tracking, content management, automated publishing, and customer targeting.

Research tends to consider the use of e-WoM from a business-to-consumer perspective. For example, research has investigated the effects of e-WoM on consumer purchasing decisions, impact on brand awareness and purchase intention, customer retention, electronic word of mouth, and purchase decision engagement. Despite the significant impact and perceived value for SMES, research is limited on how SMES choose or use e-WoM channels. Several studies have investigated the use of e-WoM to advance business practices and their effect on organizational performance. Previous studies have investigated the influence of e-WoM on SMES and their mediating role, but some areas remain unexplored, such as the use of digital platforms by SMES (Scuotto et al., 2017) and their impact on SMES survival (Rahman et al., 2016).

Due to the importance of social media for SMES and their benefits, attention has been paid to various fields, including information systems and management (Jasin, 2022). This is evidenced by the increasing number of scientific articles published every year. A systematic review of e-WoM adoption and the SMES literature can provide information for research in this area. While there have been previous social media review articles, these are not directly related to the mediating role of social media. Instead, these articles are usually all-encompassing, or related to a specific domain, such as marketing. Although the literature indicates that entrepreneurs actively use e-WoM, there is little systematic research showing the state of research on e-WoM and SMES. Such research is important to understand how much research on global entrepreneurship and e-WoM has been covered, and what needs to be done to increase our knowledge. Therefore, based on the previous literature, this study develops an integrated research model that explains the factors that influence the performance of SMES and the mediating role of social media adoption.

In research (Prasanna et al., 2019) it is proven that the brand trust of SMES products has a significant effect on purchasing decisions, but there are several obstacles experienced by these SMES products. Among other things, competition is not only with other SMES products but with foreign products. In addition, capital from SMES is also one of the obstacles. In other words, the model explains

what drives SME to use social media and the mediating role in the relationship between technology impact, organizational impact, environmental impact, and SME performance. It is hoped that the review and framework will help researchers and practitioners understand the current state of research and support future research in the field. This study also validates the mediating role of e-WoM adoption in the context of SMES.

The study begins with a literature review on the impact of technology, organizational impact, environmental impact, and the use of e-WoM, as well as their impact on SMES performance. Then, it discusses the methodology, including sampling and data collection, measures and instrument validation, and quantitative research results. The article ends with the limitations of the study and the direction of further research.

In research (Jasin, 2022) it was found that marketing using social media can have a positive and significant effect on Brand Image, Electronic Word of Mouth has a positive and significant effect on Brand Image, Social Media Marketing also has a positive and significant effect on Purchase Intention levels, Electronic Word of Mouth has a positive and significant effect on Purchase Intention, Brand Image has a positive and significant effect on Purchase Intention, Social Media Marketing has a positive and significant effect on Purchase Intention through Brand Image, Electronic Word of Mouth has a positive and significant effect on Purchase Intention through Brand Image.

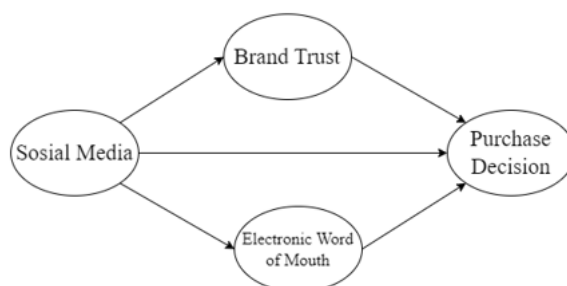


Figure 2. Celebrity Endorsement marketing mechanism with customer satisfaction.

METHODS

This research is a type of descriptive research using a qualitative approach. Descriptive research aims to provide a detailed description of the research focus (Yusuf, 2016). A qualitative approach is a research approach that does not use statistical procedures in data analysis but prioritizes data interpretation in the form of descriptions (Anggito & Setiawan, 2018).

This research data is in the form of secondary data in the form of journals that have relevance to the topic under study, namely the Effect of E-WoM on Buying Decisions Mediated by Brand Trust for SMES Products.

Data were collected using literature study and analyzed using qualitative analysis techniques in three stages, namely data reduction, data presentation, and drawing conclusions (Creswell, 2014).

CONCLUSION

The conclusion that can be drawn from this research is that most of the previous studies have proven that there is a significant influence of the influence of E-WoM on Purchase Decisions Mediated by Brand Trust of SMES Products. The use of online marketing using Electronic word-of-mouth (E-WoM) and SMES product brand trust can influence buying decisions. However, previous research also shows that the brand trust of SMES products does not have much effect on purchasing decisions due to some competition by SMES products. Inconsistencies in previous studies indicate that further

research is needed on the effect of Electronic word-of-mouth (E-WoM) and brand trust for SMES products in influencing purchasing decisions.

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