THE EFFECT OF ELECTRONIC WORD OF MOUTH ON PURCHASING DECISIONS FOR SHOPEE PRODUCTS FOR GENERATION Z AND MILLENNIALS IN BONE REGENCY

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Abstract

This study aims to determine the effect of Electronic Word of Mouth on product purchasing decisions at Shopee among Generation Z and Millennials in Bone Regency. This research uses a quantitative approach and descriptive-analytical. The data collection technique used in this study was distributing questionnaires to 50 respondents from the millennial and Z generations in Bone Regency. The data analysis technique is linear regression analysis. The study's findings that Electronic Word of Mouth has a positive and significant impact on consumer purchasing decisions. That is, the hypothesis is proven. Thus, the positive and significant influence shows that electronic word of mouth can be one of the considerations for generation Z and millennial generations in Bone Regency in deciding to buy products at Shopee.

Keyword: *Electronic Word of Mouth*

1. INTRODUCTION

The internet is already considered an important part of people's lives because of its many benefits that can help them in their daily lives, such as for learning, interacting, working, and even shopping. The online lifestyle of some people continues to grow, such as shopping which used to only be done in physical stores is now done online. Shopping online has many benefits, one of which is the possibility to shop whatever, whenever, and wherever, which makes it very popular. With a smartphone and internet access, various needs can be purchased without having to go to many places.

Online shopping through e-commerce applications is one of the current trends. The number of Indonesian e-commerce consumers increased by 11 million from 2017 to 35 million in 2018, according to Asian Nikkei Review data. Shopee is one of the most growing e-commerce apps today. It is an online buying and selling app and holds promotions every month to increase sales, such as free shipping, flash sales, cashback, discount vouchers, and others. Shopee is now one of the best online stores in Indonesia, according to IPrice.com data.

Electronic Word of Mouth has a very important role for the continuity of an E Commerce because information can spread quickly and is trusted by potential customers and can be disseminated through existing internet social media. Dissemination through internet

social media is very easy because of very efficient access such as YouTube, WhatsApp, Line, Googling, and so on. word of mouth is considered more honest and objective than marketers from companies because they are in a state of sharing experiences, both positive and negative experiences. Thus, word of mouth is considered a more trustworthy source, where the sender of the message is presumably not trying to sell the product or service to the recipient of the message, and does not have any ties to the company or the product or service being discussed.

WOM has enormous potential in word of mouth. WOM is considered effective for companies because it is seen from the opinions conveyed by customers, this will be useful for improving performance and can increase company profits (Ji Xiaofen and Zhang Yiling). Marketing using word of mouth is relatively practical to implement because it can make customers trust and disseminate information clearly and maximally (Farida and Fitriani 2022). Electronic word of mouth (e-WOM) is a form of communication about a product or service or company online, whether it is positive or negative. This opinion is based on the experience of consumers who have purchased certain products or used services, or consumers can also take advantage of the experience of other consumers in assessing a particular product or service in deciding on a purchase. e-WOM is a statement made by customers, both potential customers, actual customers, and previous customers about a product or company, either positive or negative, whose information is available to the public or institutions via the internet media (Hennig-Thurau, et. al). e-WOM as a form of communication about a product or company online, whether positive or negative in nature. Al). e-WOM as a process of exchanging information between potential, actual, or former customers about a product, brand, service, or company that is provided to the public and institutions via the internet and is dynamic and continuous (Ismagilova, et. al).

As such, e-WOM can help customers make a better decision to purchase a product. However, customers should still check and assess other users' reviews and recommendations before deciding to buy. Based on this description, the purpose of this study is to determine the effect of Electronic word of mouth on consumer decisions on purchasing Shopee products.

2. METHODOLOGY

a) Research Type and Approach

This research uses a quantitative approach, which is a research method that can be interpreted as a research method based on the philosophy of positivism, used to research on certain populations or samples, data collection using research instruments, quantitative data analysis with the aim of testing predetermined hypotheses (Sugiyono).

This research is analytically descriptive. Descriptive analytical research is research to make descriptions, pictures or paintings systematically, factually and accurately about the facts, properties and relationships between the phenomena investigated by testing hypotheses and making deeper interpretations of relationships (Moh.Nazir).

b. Data and data sources

Primary data is data obtained directly from research respondents by distributing questionnaires to 50 respondents from the millennial generation and generation Z in Bone Regency.

Secondary data is data obtained indirectly or data obtained from a second party by studying various literature related to the research. In this study, researchers took data from articles or journals, and or other documentation relevant to this study.

c. Data Collection Technique

The data collection technique used in this study is a questionnaire. A questionnaire or questionnaire is a number of questions used to obtain data from respondents in the sense of reports about their personal or other things that need to be known (Misbahuddin and Iqbal Hasan).

d. Data Analysis Tools

Data analysis technique is an activity after data from all respondents or other data sources are collected. Activities in data analysis are grouping data based on variables and types of respondents, tabulating data based on variables from all respondents, presenting data for each variable studied, performing calculations to answer problem formulations, and performing calculations to test hypotheses that have been proposed (Sugiyono).

3. RESULT AND DISCUSSION

Analysis of the Effect of Electronic Word of Mouth on Purchasing Decisions of generation Z and millennial generation in Bone Regency.

a. Normality Test

The normality test was carried out with the One Sample Kolmogrov Smirnov test using the SPSS 25 for windows application, to determine whether the data population was normally distributed or not. The normality test was carried out on the data from the electronic word of mouth questionnaire results with the purchasing decisions of generation Z and the millennial generation in Bone Regency. The significance level used in the data is $\alpha = 0.05$. The results of the normality test on the data from the electronic word of mouth questionnaire with the purchasing decisions of generation Z and the millennial generation in Bone Regency can be seen as follows.

Tabel. 1 Normality Test of Electronic Word of Mouth and Purchasing Decision

One-Sample Kolmogorov-Smirnov Test		
		Unstandard ized Residual
N		50
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.44583704
Most Extreme Differences	Absolute	.105
	Positive	.105
	Negative	-.092
Test Statistic		.105
Asymp. Sig. (2-tailed)		.200[c,d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Based on the SPSS 25 for windows output above, a significance value of 0.200 is obtained. This means that the significant value is greater than the α value (0.200> 0.05), so it can be concluded that the electronic word of mouth data with the purchasing decisions of generation Z and millennial generation in Bone Regency are normally distributed.

b. Linearity Test

To determine the linear relationship between the independent variable and the dependent variable, a linearity test is carried out using the SPSS 25 for windows application. The basis for decision making for the linearity test is, if the Sig Deviation from Linearity value> 0.05, then there is a linear relationship between the independent variable and the dependent variable, and vice versa. The results of the linearity test on the electronic word of mouth questionnaire data with the purchasing decisions of generation Z and the millennial generation in Bone Regency can be seen as follows.

Based on the data output from SPSS 25 for windows above, the Sig. deviation from linearity value is 0.086> 0.05. So it can be concluded that the Sig. deviation value < Sig 0.05, which means that there is a linear relationship between electronic word of mouth and purchasing decisions of generation Z and millennial generation in Bone Regency. Linear in this case means directly proportional, where if the electronic word of mouth is good, the purchasing decision will also be better, and vice versa.

Tabel.2. Electronic Word of Mouth Linearity Test and Purchasing Decisions

			Sum of Squares	df	Mean Square	F	Sig.
		ANOVA Table					
Purchase Decision * Electronic Word of Mouth	Between Groups	(Combined)	714.547	18	39.697	8.230	.000
		Linearity	570.956	1	570.956	118.366	.000
		Deviation from Linearity	143.590	17	8.446	1.751	.086
	Within Groups		149.533	31	4.824		
	Total		864.080	49			

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c. Simple Linear Regression Test

The simple linear regression test is used to determine the effect between the independent variable and the dependent variable, using the SPSS 25 for windows application. The results of the simple linear regression test on the electronic word of mouth questionnaire data with the purchasing decisions of generation Z and millennial generation in Bone Regency can be seen as follows.

Tabel.3. Simple Linear Regression Test of Electronic Word of Mouth with Purchasing Decision

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.119	2.114		.529	.599
	Electronic Word of Mouth	.545	.056	.813	9.669	.000

a. Dependent Variable: Purchase Decision

a) Based on the results of the simple liner regression test in the table above, the value a (constant value) of 1.119 is obtained while the value b (regression coefficient value) is 0.545, so that the regression equation can be written as follows: Y = 1.119 + 0.545X

b) The explanation of the simple linear regression equation above is as follows:

c) a) Constant value = 1.119. This means that if the electronic word of mouth is constant, the purchasing decision is 1,119.

d) b) The regression coefficient value of the electronic word of mouth variable is positive, namely 0.545. This means that every time the electronic word of mouth increases by

one, the purchasing decisions of generation Z and the millennial generation in Bone Regency will increase by 0.545. Because the regression coefficient is positive, it can be said that the direction of the influence of variable X on variable y is positive.

d. Detrmination Coefficient Test

The coefficient of determination is used to predict and see how much influence contribution is given by variable X to variable Y, using the help of the SPSS 25 for windows application. The results of the coefficient of determination test on the electronic word of mouth questionnaire data with the purchasing decisions of generation Z and the millennial generation can be seen as follows.

Tabel.4.

Test the Coefficient of Determination of Electronic Word of Mouth and Purchasing Decisions

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.813[a]	.661	.654	2.471

a. Predictors: (Constant), Electronic Word of Mouth

Based on the table above, the coefficient of determination (R-Square) value is 0.813 or 0.661 (66%). So that 66% of purchasing decisions can be influenced by the word of mouth of generation Z and millennial generation in Bone Regency, while the remaining 34% is influenced by other factors not examined in this study.

e. Uji t (Parsial)

The t test is used to determine whether the independent variable (X) can partially affect the dependent variable (Y) significantly or not. This test was carried out with the help of the SPSS 25 for windows application. The results of the t test on the questionnaire data electronic word of *mouth* with the purchasing decisions of generation Z and millennial generation in Bone Regency can be seen as follows.

### Tabel.5. Electronic Word of Mouth t-test with Purchase Decision

Coefficients[a]					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	1.119	2.114		.529	.599
Electronic Word of Mouth	.545	.056	.813	9.669	.000

a. Dependent Variable: Purchase Decision

Based on the table above, the P value is 0.000, which means it is smaller than the alpha value (0.000 <0.05) or by looking at the tcount value in the table above of 9.669, which is greater than the ttable value (9.669> 2.010). From these results it can be concluded that there is a significant influence between electronic word of mouth on the purchasing decisions of generation Z and the millennial generation in Bone Regency.

From the results of the hypothesis testing that has been described, it is proven that electronic word of mouth on purchasing decisions of generation Z and millennial generation in Bone Regency. The hypothesis can be presented in the form of a picture as in the figure below.

Picture 1

Hypothesis Test Model
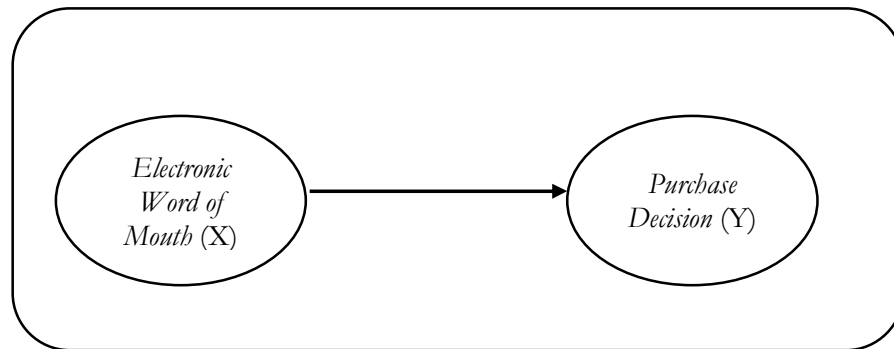
The figure above shows that the Electronic Word of Mouth (X) variable significantly influences the purchasing decision variables of generation Z and the millennial generation in Bone Regency. This can indicate a description of consumer behavior in buying products

in Shopee. The picture needs to be discussed so that it can be stated and revealed empirically about the behavior of millennial generation Muslim consumers and generation Y in buying products at Shopee. However, this research is only limited to a large proportion of generation Z and millennial generation Muslims in Bone Regency who have purchased products on Shopee.

Based on the results of the hypothesis test, the P value is 0.000, which means it is smaller than the alpha value (0.000 <0.05) or by looking at the tcount value in the table above of 9.669, which is greater than the ttable value (9.669> 2.010). From these results it can be concluded that there is a significant influence between electronic word of mouth on the purchasing decisions of generation Z and the millennial generation in Bone Regency. This illustrates a consumer behavior that if they want to buy a product on one of the E-Commerce in Indonesia, namely Shopee, they can judge the product based on the Electronic Word of Mouth on the

Shopee page. Electronic Word of Mouth is a positive or negative statement made by potential consumers, actual consumers, and previous consumers about a product or company via the internet. From these positive or negative statements, consumers can decide to buy products at Shopee.

In addition, Muslim millennial generation consumers who participate in Electronic Word of Mouth reap many social benefits from being a member of a virtual community as they have demonstrated like-minded participation towards a product. Consumers only share their demonstrated experience of product knowledge and do not want to appear smart and competent and gain respect from others. Consumers are also highly motivated to engage in Electronic Word of Mouth based on dimensions such as altruism, social benefits, emotional release, and self-improvement. In addition, messages received from other consumers who purchased products on Shopee are more reliable than information available through other media. In addition, fewer messages are received from friends or family, so the impact of the message delivered is more impactful. Since Electronic Word of Mouth messages are more reliable and effective, they last longer in the minds of consumers.

Based on the characteristics of respondents based on their level of education, it is dominated by respondents with a bachelor's degree as many as 33 people with a percentage level of 66%. Furthermore, followed by the junior / senior high school education level as many as 11 people with a percentage level of 22%, and the D2 / D3 education level as many as 6 people with a percentage level of 12%. From the description of the respondents above, it can be seen that the majority of respondents are at the undergraduate education level. This means that when they buy products at Shopee they will see or browse messages conveyed by other consumers. If the message conveyed by other consumers is a positive message that can attract consumers to buy the product, then they will decide to buy the product. Likewise, vice versa, if the message conveyed by other consumers is in the form of a negative message, namely not recommending buying the product, then consumers will consider buying the product.

Substantially, as generation Z and Muslim millennials, if they want to buy a product, it is not just to follow their tastes, but another consideration is the benefits obtained when and after consuming the product. The benefits intended here are physical benefits and non-physical benefits. As Syaparuddin said that a pious Muslim will always care about kaffah maslahah (physical and non-physical benefits), so he will try to achieve optimal maslahah in consuming every good and service (Syaparuddin).

This is also emphasized in the Qur'an Surah Al-Maidah verses 87-88.

اَيُّهَا الَّذِيْنَ اٰمَنُوْا لَا تُحَرِّمُوْا طَيِّبٰتِ مَآ اَحَلَّ اللّٰهُ لَكُمْ وَلَا تَعْتَدُوْاۗ اِنَّ اللّٰهَ لَا يُحِبُّ الْمُعْتَدِيْنَ ۝ وَكُلُوْا مِمَّا رَزَقَكُمُ

اللّٰهُ حَلٰلًا طَيِّبًاۖ وَّاتَّقُوا اللّٰهَ الَّذِيْٓ اَنْتُمْ بِهٖ مُؤْمِنُوْنَ ۝

Translation: "*O you who believe, do not forbid that which Allah has made lawful for you, and do not exceed the limits. Eat of what Allah has bestowed upon you of lawful and wholesome sustenance, and fear Allah in whom alone you believe.*"

Also mentioned in another Surah, Surah Al-Baqarah verse 168:

يٰٓاَيُّهَا النَّاسُ كُلُوْا مِمَّا فِى الْاَرْضِ حَلٰلًا طَيِّبًاۖ وَّلَا تَتَّبِعُوْا خُطُوٰتِ الشَّيْطٰنِۗ اِنَّهٗ لَكُمْ عَدُوٌّ مُّبِيْنٌ ۝

Translation: "*O mankind, eat of the lawful and good things of the earth, and do not follow the steps of the devil. Indeed, he is a real enemy to you.*"

The two verses can be interpreted that consumption in Islam is about fulfilling both physical and spiritual needs that can maximize the mission of humans as servants of Allah SWT. to achieve falah. The main means to achieve falah is Maslahah. Therefore, every Muslim consumer must pay attention to maslaha in every consumption activity. Muslim consumer behavior that cares about maslahah is consumers who pay attention to the physical and non-physical benefits of the products they consume.

It seems that some of the generation Z and Muslim millennials in Bone Regency still ignore the non-physical benefits in deciding to buy products at Shopee. On the other hand, Electronic Word of Mouth has become their consideration for buying products at Shopee E-Commerce. If this is the case, it can be assumed that generation Z and the Muslim millennial generation in Bone Regency can already consider the physical benefits with the support of Electronic Word of Mouth if they want to buy a product at Shopee, but they still put aside the non-physical benefits (rewards and blessings).

4. CONCLUSION

From the results of the analysis and discussion that has been discussed, it can be concluded that Electronic Word of Mouth has a positive and significant effect on purchasing decisions. This means that the proposed hypothesis is proven. This means that the positive and significant effect shows that electronic word of mouth can be one of the considerations of generation Z and the Muslim millennial generation in Bone Regency in deciding to buy products at Shopee.

It is recommended that consumers, especially generation Z and millennial generation in Bone Regency who buy products at Shopee, not only rely on their taste, but also non-physical benefits, namely rewards and blessings that must be prioritized. Because every Muslim is obliged to use halal and tayyib products. This is an Islamic teaching that must be implemented. If that is the case, then they are maslahah-conscious consumers who consider both the physical and non-physical benefits of their products.

The implications that can be generated from the suggestions above, namely if generation Z and the Muslim millennial generation buy a product based on electronic word of mouth, the products marketed at Shopee must have good quality at a friendly price, so that generation Z and the Muslim millennial generation in Bone Regency will be increasingly interested in buying these products. Because the number of millennials who often buy products at Shopee could have an impact on Shopee's own business activities, so that this product can compete with other E-Commerce in Indonesia.

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