

The Effectiveness of E-WOM (Electronic Word Of Mouth) and Instagram Social Media Promotion on Purchase Intention at Liang Teh Sumatera

Lara Widuta¹, Muammar Rinaldi²

¹Sekolah Tinggi Ilmu Ekonomi Eka Prasetya

²Universitas Negeri Medan

Medan Area, North Sumatra 20212, Indonesia

Larawiduta05@gmail.com

ABSTRACT

The purpose of this research is to investigate the influence of e-wom on the purchase intention of customers at Liang Teh Sumatera, as well as the influence of Instagram social media promotion on their purchase intention. The study involves a population of 8,280 customers at Liang Teh Sumatera using a descriptive quantitative method. Sample size was calculated using Slovin's method at a 10% margin of error, giving 99 participants. Various research instruments including direct observation, literature review and respondent questionnaires were used to collect data. Multiple linear regression analysis was used to analyze the data. Multiple linear regression analysis was used to formulate and test three hypotheses in this study. The results of this study indicate that the effectiveness of e-wom and Instagram social media promotion has a significant impact on customers' purchase intentions.

Keywords: electronic word of mouth (e-wom), Instagram social media promotion, purchase intentions

INTRODUCTION

Humans, being inherently social, have a wide range of desires and needs that significantly influence their actions and decisions. These wants and necessities often act as the primary drivers in decision - making, including when it comes to buying products or services. The desire to make a purchase is closely tied to a consumer's longing to fulfill their fundamental needs. Consumer buying interest essentially represents their wish to satisfy their hidden desires and requirements. Consumer buying interest is always hidden in each individual, where no one knows what consumers want and expect (Nisar et al., 2013).

In the digital era, the internet is the main source of quick and direct information for people of all ages. It connects individuals through devices like computers and phones, creating a boundary-free communication channel that enables seamless interaction, regardless of location.

With the increase in internet connectivity and the active presence of consumers in the digital world, e-WOM has become a powerful tool in influencing consumer perceptions and decisions about certain products or services. Electronic Word Of Mouth or E-WOM is an easy and appropriate choice for promotion in a company's business, especially for culinary businesses because it can be accessed anywhere and provides convenience for its users (Virenabia & Oktafani, 2018). When it comes to marketing strategies, one

approach that has been around for a long time and is known to be more trusted is word-of-mouth marketing. Word-of-mouth marketing is more trusted than any more formal promotional method. People who receive recommendations based on word-of-mouth communication tend to be more confident that the recommender is speaking the truth and that there are no ulterior motives (Cheung & Lee, 2012). The spread of Word Of Mouth can not only be done by providing information through direct word of mouth communication, but can also be disseminated through existing social media. WOM through internet media is called electronic word of mouth (E-WOM), e-wom through social media is done by giving product reviews, providing recommendations to other consumers or just sharing experiences (testimonials) (Ayunita & Magdalena Welly Muskita, 2021).

In today's fast-paced technological landscape, the internet serves as a prime avenue for entrepreneurs to expand their business reach. Social media, such as Instagram, has evolved into a platform where buyers and sellers can transact without the need for in-person meetings. Instagram, in particular, is highly sought after for both information and entertainment. Advertising on Instagram stands out as a popular and efficient digital marketing method. The internet is no longer just an information source but also a thriving marketplace for business professionals. Where consumers and producers can interact with each other even though they don't have to meet face to face (Rahmawati & Nurfebiaraning, 2021). Instagram is a photo and video sharing platform used by millions of people around the world, including businesses and brands, to promote products, services or brands.

Liang Teh Sumatera has been selling since 1990 and is now starting to utilize the functions of social media. This business is classified as an MSME (UMKM) because of the type of business that is individually owned. Liang Teh Sumatera has utilized social media in the form of Instagram as a platform to promote its business.

Table 1. Sales Data from Liang teh Sumatera
Table of Sales Data from Liang Teh Sumatera in 2018 - 2022

Year	Realization
2018	Rp. 69.120.000
2019	Rp. 60.480.000
2020	Rp. 58.320.000
2021	Rp. 54.000.000
2022	Rp. 49.680.000

Source : processed data, 2023

Based on table 1., it can be seen that Liang Teh Sumatera continues to experience decline due to the covid-19 pandemic that has hit all cities in Indonesia. In 2018, the total sales of Liang Teh Sumatera amounted to Rp. 69,120,000, decreased to Rp. 60,480,000 in 2019. Another decline in 2020 to Rp. 58,320,000. Then in 2021 it decreased to Rp. 54,000,000. And in 2022 it decreased again to Rp. 49,680,000.

The incident results from the limited prevalence of electronic word-of-mouth (E-WOM) in the present business environment. Primarily, this scarcity of E-WOM can be linked to a more diverse customer base. While young individuals actively engaged on social media are typically expressive content creators and reviewers, adults may not be as inclined to share their experiences online. Additionally, the absence of in-service promotions like influencer marketing could contribute to this issue. Some business owners may have yet

to adopt this effective marketing trend for enhancing brand and product visibility. To boost E-WOM and reach a broader audience, companies should explore more inclusive marketing strategies that cater to customers of various age groups and invest in promotional methods aligned with current trends.

LITERATURE REVIEW

Purchase Intention

Interest is described as a situation where consumers have not taken an action, which can be used as a basis for predicting behavior or action (Halim & Iskandar, 2019). Purchase intention can also be interpreted as a decision to buy one brand as an alternative among various other brand alternatives (Surya Nanda & Fitryani, 2022). The object of consumer purchase interest is always hidden in each individual where no one knows what the consumer wants and expects. According to Purbohastuti & Hidayah (2020), Purchase Interest is consumer buying interest is an after-purchase evaluation or evaluation result after comparing what is felt with expectations. Kotler & Keller (2016) suggests that buying behavior is influenced by four factors, namely: 1) Culture (culture, sub culture, and social classes); 2) Social (reference group, family, and role and status); 3) Personal (age and life cycle stages, occupation and economic circumstances, personality and self-concept, as well as lifestyle and values); 4) Psychological (motivation, perception, learning, emotions, memory). According to Augusty (2014), buying interest can be identified through the following indicators: 1) Transactional interest, a person's tendency to buy a product; 2) Referential interest, a person's tendency to refer products to others; 3) Preferential interest, describes the behavior of a person who has a main preference for the product; 4) Exploratory interest, this interest describes the behavior of a person who is always looking for information about the product he is interested in and looking for information to support the positive properties of the product.

E-WOM (Electronic Word of Mouth)

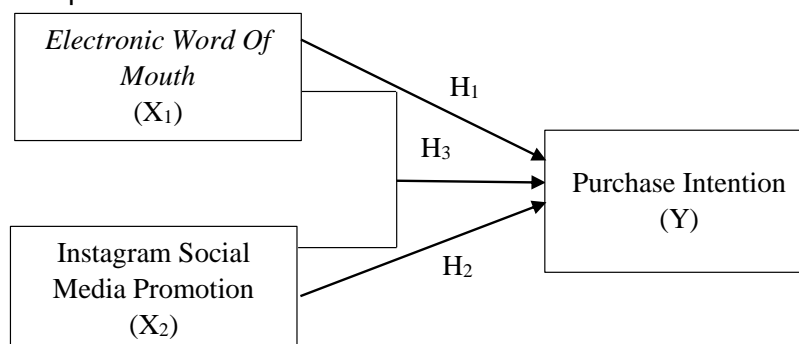
The advantage of using Electronic Word of Mouth (E-WOM) is that it can attract the attention of consumers so that they want to visit (Virenabia & Oktafani, 2018). According to Kotler & Keller (2016) E-WOM is marketing using the internet to create word-of-mouth effects to support business and marketing objectives. Electronic Word of Mouth In its role in the digital age, the internet has created a new paradigm in Word of Mouth communication and this is the beginning of the term Electronic Word of Mouth (eWOM) (Halim & Iskandar, 2019). E-WOM involves consumer comments about products and services posted on the internet (Bronner & de Hoog, 2011). Electronic word-of-mouth is a statement about a product written over the internet. The influence of social networking sites plays an important role in the information search process before consumers decide to buy a product (Magdalena & Sugianto, 2016). According to Ismagilova et al. (2017), there are 4 factors that influence a person's desire to share in e-WOM, namely: a) Satisfaction (Conditions that occur when consumer satisfaction is met); b) Loyalty (The desire to make repeat purchases and take other actions that show motivation for service providers or products); c) Commitment (The consumer's desire to maintain a relationship with the company); d) Trust (Willingness to rely on trusted exchange partners). According to Goyette et al. (2010) electronic word of mouth is divided into 4 dimensions including: 1) Intensity, the number of opinions written by consumers on a social networking site; 2) Valence of Opinion, positive or negative consumer opinions about products, services and brands; 3) Content, the content of information from social networking sites related to products and services.

Instagram Social Media Promotion

According to Kotler & Keller (2016) social media is a means for consumers to share text, image, audio, and video information with each other and with companies, and vice versa. Social media marketing is a type of internet marketing model to achieve marketing objectives by participating in the scope of social media networks (Maoyan et al., 2014). Social media marketing is often used, is Instagram. Many brands use Instagram to improve their visual marketing strategies that focus on using images and videos (Alfian & Nilowardono, 2019a). Instagram is a growing social media platform, providing a means of self-expression and communication through creative visuals. Businesses are responding to this trend by using it as a cost-effective marketing tool (Arviani et al., 2020). Promotions indicator according to Ristania & Justianto (2013), which include: 1) Promotion Reach, estimated number of users based on registered users in the target location; 2) Quantity of Updates in the Media, loading advertisements or various information into the media arouses consumer interest; 3) Message Quality, the message conveyed must be able to create positive emotions in consumers.

The conceptual framework presents basic concepts that are in accordance with the problems of the research to be carried out. The following is the conceptual framework that will be used in this study:

Picture 1. Conceptual Framework



Within the provided framework, several research hypotheses can be outlined as follows:
 H₁: Electronic Word Of Mouth affects buying interest in Liang Teh Sumatera products.
 H₂: Promotion through Instagram social media affects buying interest in Liang Teh Sumatera products.
 H₃: Both Electronic Word Of Mouth and promotion through Instagram social media affect buying interest in Liang Teh Sumatera products.

RESEARCH METHOD

Researchers conducted research with the object being customers of Liang Teh Sumatera. The research time starts from July 2023 to October 2023. The type of research conducted is quantitative research. According to Wahyudi (2017), quantitative data is data in the form of numbers. Its characteristic is that data is always in numerical form. The data used in this research is primary data. According to Wahyudi (2017), primary data is data taken from the source, and has never been published by a particular agency.

According to Prof. Dr. Sugiyono (2013), opulation is a generalization area consisting of: objects / subjects that have certain quantities and characteristics set by researchers to study and then draw conclusions. The research population that will be used in the study are all customers who made purchases at liang tea during the 2022 period, totaling 8,280

customers. According to Prof. Dr. Sugiyono (2013), the sample is part of the number and characteristics of the population. Since the population used is 8,280 customers, the population will be reduced by the slovin sample technique with an error rate of 10%. thus it can be seen that the number of samples to be used in this study is 99 consumers.

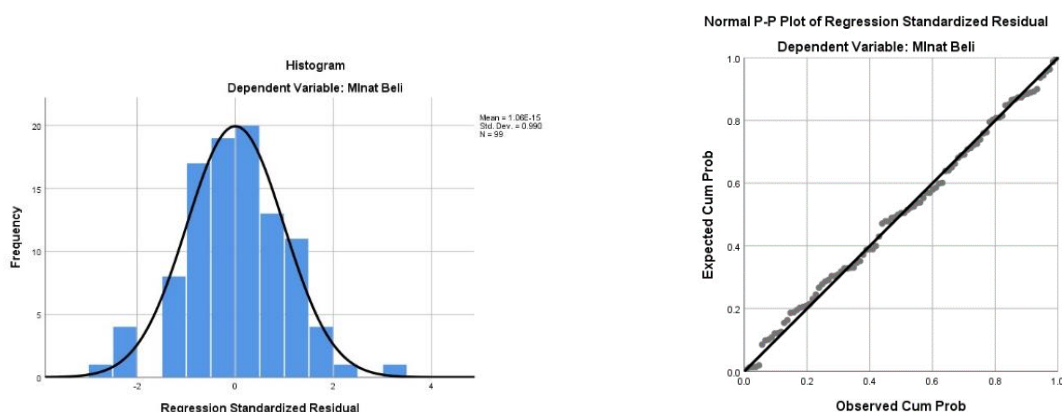
To obtain relevant data in the study, interviews were conducted which were assisted by research instruments, namely questionnaires given to respondents, direct observation, and literature study. Data collection techniques through questionnaires are carried out by asking questions to parties related to the problem under study. In this study is an Interval scale with Likert 1-5.

There are several data analysis techniques used in this research, namely: Validity Test, Reliability Test, Normality Test, Heteroscedasticity Test, Multicollinearity Test, Multiple Linear Regression Analysis, Partial Significance Test (T Test), Simultaneous Significance Test (F Test), Coefficient of Determination Test (Test R²).

RESULTS

Various tests were conducted to evaluate the questionnaire in this study. The validity test confirmed the questionnaire's validity, the reliability test ensured the stability of questionnaire variables, and a multicollinearity test examined relationships among independent variables. The processed data revealed that the validity test showed indicators in the variable with an r_{count} value (r_{count} : 0.438 – 0.887) surpassing the critical r_{table} value (r_{table} : 0.3494), establishing their validity at a 5% significance level with a sample size of 30 individuals. The reliability test indicated that all variables had a Cronbach's Alpha value above 0.70 (value: 0.701 – 0.857), meeting the reliability criteria.

Picture 2 & 3. Histogram & Probability Plot Normality Test



Source : processed data, 2023

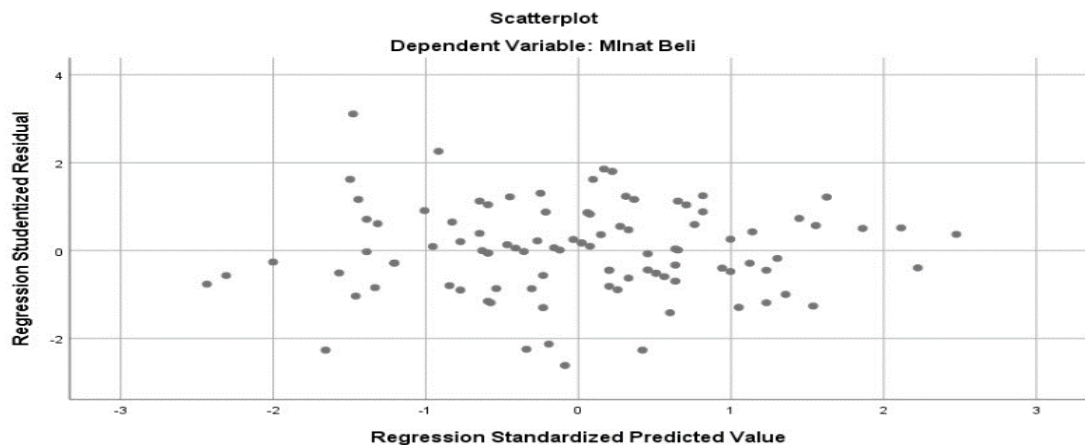
Table 2. Kolmogorov-Smirnov Normality Test Results

Unstandardized Residual	
N	99
Asymp. Sig. (2-tailed)	0.200

Source : processed data, 2023

The normality test results confirm the normal distribution of the research data. The histogram and normal probability plot display alignment, and the One Sample Kolmogorov-Smirnov test, with a significance value of 0.200, supports this distribution.

Picture 3. Heteroscedasticity Test Scatterplot



Source : processed data, 2023

The results of the heteroscedasticity test have also stated that the variables are free from the phenomenon of heteroscedasticity as evidenced by the distribution of points on the scatterplot graph that spread and do not form a regular pattern.

Table 3. Multicollinearity Test Results

Variabel	Tolerance	VIF
<i>Electronic Word of Mouth (E-WOM) (X₁)</i>	0.836	1.196
Instagram Social Media Promotion (X ₂)	0.836	1.196

Source : processed data, 2023

The multicollinearity test indicates that the tolerance values of the research variables are all above 0.10, signifying no correlation exceeding 95% among independent variables. Additionally, the VIF values for the research variables are all below 10. Consequently, based on the tolerance and VIF values, it can be concluded that there is no significant correlation among the independent variables. The research data has successfully passed the multicollinearity test, meeting the criteria of VIF values < 10 and Tolerance > 0.10.

This study uses multiple linear regression tests. Based on multiple regression calculations between the variables Electronic Word of Mouth (X₁) and Instagram Social Media Promotion (X₂) on Purchase Interest (Y), the following results are obtained:

Table 4. Multiple Linear Regression Analysis

Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	3.395	1.900	
	Electronic Word of Mouth (E-WOM)	0.699	0.078	0.575
	Instagram Social Media Promotion	0.488	0.080	0.394

Source : processed data, 2023

Dependent Variable: Purchase Intention

The table shows a constant value of 3.395, indicating a positive impact of Electronic Word of Mouth (X_1) on Purchase Interest (Y) for Liang Teh Sumatera, with a coefficient of 0.699. A one-unit increase in Electronic Word of Mouth, while keeping Instagram Social Media Promotion (X_2) constant, results in a 0.699 rise in Purchase Interest. Similarly, Instagram Social Media Promotion (X_2) positively influences Purchase Interest (Y) with a coefficient of 0.488. A one-unit increase in Instagram Social Media Promotion, assuming constant Electronic Word of Mouth (X_1), leads to a 0.488 increase in Purchase Interest. In conclusion, both Electronic Word of Mouth and Instagram Social Media Promotion significantly impact Purchase Interest in Liang Teh Sumatera.

Hypothesis testing is carried out using the coefficient of determination (R^2) test, F-statistical test, and T-statistical test. The test results are presented below:

Table 5. T Test Results

Coefficients ^a			
Model		t	Sig.
1	(Constant)	1.786	0.077
	Electronic Word of Mouth (E-WOM)	8.968	0.000
	Instagram Social Media Promotion	6.135	0.000

a. Dependent Variable: Purchase Intention

Source : processed data, 2023

In this study, the partial test was used to test the effect of each independent variable (Electronic Word of Mouth and Instagram Social Media Promotion) in explaining the dependent variable (Purchase Interest), by comparing the t_{count} values with the t_{table} values at $\alpha = 0,05$.

In the T-statistic test results, the Electronic Word of Mouth (X_1) variable shows a t_{count} of 8,968, exceeding the t_{table} value of 1,98472 with a degree of freedom calculation ($df = n - 2 = 97$). Additionally, the significance value for the Electronic Word of Mouth (X_1) variable is 0,000, which is less than 0,05. This leads to the conclusion that the Electronic Word of Mouth variable significantly influences Purchase Intention. Similarly, the Instagram Social Media Promotion variable (X_2) exhibits a t_{count} of 6,135, surpassing the t_{table} value, and its significance value is also 0,000, indicating a significant influence of the Instagram Social Media Promotion variable on Purchase Intention.

Table 6. F Test Results

Coefficients ^a			
Model		F	Sig.
1	Regression	97.240	0.000
	Residual		
	Total		

a. Dependent Variable: Purchase Intention

b. Predictors: (Constant), Instagram Social Media Promotion, *Electronic Word of Mouth*

Source : processed data, 2023

To test the effect of the independent variables on the dependent variable together or simultaneously, the F_{table} test above shows the F_{count} value of 97,240 with a significant level of 0,000. Because the significance level is less than 0,5 ($0,000 < 0,05$) and F_{count}

is greater than F_{table} ($97,240 > 3,09$), it can be stated that Electronic Word of Mouth and Instagram Social Media Promotion simultaneously have a significant effect on Buying Interest in Liang Teh Sumatera.

Table 7. Determination Coefficient Test

Model	R	R Square (R^2)	Adjusted R Square	Std. Error of the Estimate
1	0.818	0.670	0.663	2.747

a. Predictors: (Constant), Instagram Social Media Promotion, *Electronic Word of Mouth*

b. Dependent Variable: Purchase Intention

Source : processed data, 2023

The results of the coefficient of determination (R^2) test show the number 0,670 or 67%. This figure explains that the Electronic Word of Mouth variable, and Instagram Social Media Promotion affect Purchase Interest in Liang Teh Sumatera by 67%, while the rest is influenced by other factors or variables not examined in this study.

DISCUSSION

The Effect of Electronic Word of Mouth on Purchase Intention

The study reveals a significant impact of the Electronic Word of Mouth variable on Purchase Intention, supported by a regression coefficient of 0.699 and T-test results with a t_{count} value of 8.968 (exceeding the t_{table} value of 1.98472 at a significance level of 0.000). This positive effect translates to a substantial 69.9% increase in purchase intention, validating hypothesis H_1 . The findings align with prior research, such as (Virenabia & Oktafani, 2018), confirming that Electronic Word of Mouth significantly and positively influences Purchase Intention at Liang Teh Sumatera.

The Effect of Instagram Social Media Promotion on Buying Interest

The study underscores a significant impact of the Instagram Social Media Promotion variable on Purchase Intention, supported by a regression coefficient of 0.488 and T-test results with a t_{count} value of 6.135 (exceeding the t_{table} value of 1.98472 at a significance level of 0.000). This positive effect corresponds to a notable 48.8% increase in Purchase Intention, affirming hypothesis H_2 . These findings align with research by (Alfian & Nilowardono, 2019), confirming that Instagram Social Media Promotion indeed has a significant and positive influence on Purchase Intention at Liang Teh Sumatera.

The Effect of Electronic Word of Mouth and Instagram Social Media Promotion on Purchase Intention

An F-test assessed the collective impact of the independent variables on the dependent variable. The results unequivocally demonstrate that both Electronic Word of Mouth and Instagram Social Media Promotion significantly influence Purchase Intention. The F-test yields an F_{count} value of 97.240, with a significance level of 0.000. Given the significance level is below 0.05 ($0.000 < 0.05$) and the F_{count} value exceeds the F_{table} value ($97.240 > 3.09$), it indicates that heightened levels of Electronic Word of Mouth and Instagram Social Media Promotion correspond to increased Purchase Intention. Therefore, hypothesis H_3 is confirmed, affirming the positive impact of both Electronic Word of Mouth and Instagram Social Media Promotion on Purchase Intention at Liang Teh Sumatera.

In the coefficient of determination test (R^2) obtained of 0,670 means that the Purchase Intention variable can be explained by the Electronic Word of Mouth and Instagram Social Media Promotion variables by 67% while the remaining 33% is influenced by other variables not used in this research model.

CONCLUSION

Based on the results of data analysis and research above with the aim of testing whether Electronic Word of Mouth and Instagram Social Media Promotion have an effect on Purchase Intention at Liang Teh Sumatera, it is concluded as follows:

1. Electronic Word of Mouth variable has a significant positive effect on Purchase Intention at Liang Teh Sumatera.
2. Instagram Social Media Promotion variable has a significant positive effect on Buying Interest in Liang Teh Sumatera.
3. Electronic Word of Mouth and Instagram Social Media Promotion variables simultaneously affect Purchase Intention at Liang Teh Sumatera.

REFERENCES

- Alfian, N., & Nilowardono, S. (2019). The Influence of Social Media Marketing Instagram, Word of Mouth and Brand Awareness of Purchase Decisions on Arthenis Tour and Travel. *International Journal of Entrepreneurship and Business Development*, 2.
- Arviani, H., Candrasari, Y., Rahmadillah, O. N., & Priambodo, A. I. (2020). Instabranding Kepribadian di Lima Brand UKM Kuliner. *Warta ISKI*, 3(02), 112–122. <https://doi.org/10.25008/wartaiski.v3i02.61>
- Augusty, F. (2014). *Metode Penelitian Manajemen* (5th ed.). Semarang : Badan Penerbit Universitas Diponegoro.
- Ayunita, & Magdalena Welly Muskita, S. (2021). PENGARUH PROMOSI MELALUI MEDIA SOSIAL DAN ELECTRONIC WORD OF MOUTH (E-WOM) TERHADAP KEPUTUSAN PEMBELIAN (Studi Kasus Pada Online ShopThyy Thyy) DI KOTA SORONG. *Jurnal BADATI Ilmu Sosial & Humaniora*, 4(1). <https://wearesocial.com>
- Bronner, F., & de Hoog, R. (2011). Vacationers and eWOM: Who posts, and why, where, and what? *Journal of Travel Research*, 50(1), 15–26. <https://doi.org/10.1177/0047287509355324>
- Cheung, C. M., & Lee, M. K. O. (2012). What drives consumers to spread electronic word of mouth in online consumer-opinion platforms. *Decision Support System*, 53, 218–225.
- Goyette, I., Ricard, L., Bergeron, J., & Marticotte, F. (2010). E-WOM scale: Word-of-mouth measurement scale for e-services context. *Canadian Journal of Administrative Sciences*, 27(1), 5–23. <https://doi.org/10.1002/cjas.129>
- Halim, N. R., & Iskandar, A. (2019). PENGARUH KUALITAS PRODUK, HARGA DAN PERSAINGAN TERHADAP MINAT BELI. *Jurnal Riset Manajemen Dan Bisnis (JRMB) Fakultas Ekonomi UNIAT*, 4(3), 415–424. <https://doi.org/10.36226/jrmb.v4i3.291>
- Ismagilova, E., Dwivedi, Y., Slade, E., & Williams, M. (2017). *Electronic Word of Mouth (eWOM) in the Marketing Context* (1st ed.). Springer Cham.
- Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). London : Pearson Education, 2016. <http://www.pearsonmylabandmastering.com>

- Magdalena, Y., & Sugianto, N. (2016). *PENGARUH WEBSITE QUALITY, ELECTRONIC WORD-OF-MOUTH, DAN SALES PROMOTION TERHADAP IMPULSE BUYING PADA ZALORA*.
- Maoyan, Zhujunxuan, & Sangyang. (2014). Consumer Purchase Intention Research Based on Social Media Marketing. *International Journal of Business and Social Science*, 5(10). www.ijbssnet.com
- Nisar, Q., Ehsan Malik, M., Mudasar Ghafoor, M., Kashif Iqbal, H., Ali, Q., Hunbal, H., Noman, M., Ahmad, B., Gujranwala Campus, P., & W N Lo A D, D. O. (2013). Impact of Brand Image and Advertisement on Consumer Buying Behavior. *World Applied Sciences Journal*, 23(1), 117–122. <https://doi.org/10.5829/idosi.wasj.2013.23.01.824>
- Prof. Dr. Sugiyono. (2013). *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D* (Vol. 19).
- Purbohastuti, A. wahyuni, & Hidayah, A. A. (2020). MENINGKATKAN MINAT BELI PRODUK SHOPEE MELALUI CELEBRITY ENDORSER. *Jurnal Bisnis Terapan*, 4(1), 37–46. <https://doi.org/10.24123/jbt.v4i1.2480>
- Rahmawati, L. C., & Nurfebiaraning, S. (2021). *PENGARUH ELECTRONIC WORD OF MOUTH PADA MEDIA SOSIAL INSTAGRAM TERHADAP MINAT BELI PRODUK BITTERSWEET BY NAJLA*. www.wearesocial.com
- Ristania, N., & Justianto, J. S. (2013). ANALISA PENGARUH HARGA, PROMOSI DAN VIRAL MARKETING TERHADAP KEPUTUSAN PEMBELIAN PADA “ONLINE SHOP” S-NEXIAN MELALUI FACEBOOK. *Journal of Business Strategy and Execution*, 5(2), 131–161.
- Surya Nanda, A., & Fitryani. (2022). IMPLIKASI ELEKTRONIK WORD OF MOUTH DALAM MEMBANGUN TREND PEMBELIAN THRIFT PADA ECOMMERCE. 2 *St Proceeding STEKOM*, 2022.
- Virenabia, C., & Oktafani, F. (2018). *PENGARUH ELECTRONIC WORD OF MOUTH (EWOM) SEBAGAI MEDIA PROMOSI TERHADAP MINAT BELI PADA FOLLOWERS INSTAGRAM BANDUNG MAKUTA*. 1000. www.instagram.com
- Wahyudi, T. S. (2017). *Statistika Ekonomi: Konsep, Teori, dan Penerapan* (UB Press, Ed.; 1st ed.). UB Press.
-