

# The Influence of Testimonial, Social Media-based Promotions and Electronic Word of Mouth toward Purchase Intention

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**Keywords:** Testimonial, Promotion Based Social Media, Electronic word Of Mouth, Purchase Intention.

**Abstract:** This research is to know the influence of testimonial, social media based promotions and electronic word of mouth toward purchase intention at Laris online shop. The method of data collected used questionnaire. Data analysis uses validity and reliability test, double regression, F and T hypothesis, and also coefficient determination. The result of this research shows that testimonies have significant influence toward purchase intention, and then social media based promotion has significant influence also toward purchase intention. Electronic word of mouth has significant effect toward purchase intention. Electronic word of mouth has in line correlation, and also contribution toward purchase intention. The result of coefficient determination shows that testimonial influence, social media based promotion and electronic word of mouth have contribution 20.4% toward purchase intention. It is because the consumers have more trust toward comments and suggestions from the customers who have real experiences of online shop service than the testimonies from social media of online shop owner which can be created. The conclusion is that electronic word of mouth is the most influential factor toward purchase intention of consumers.

## 1 INTRODUCTION

Nowadays, internet is the main need in societies not only for adults but also teenagers even children. Based on the survey done by tetra pak index in 2017 (Detik.inet, 2017), from 132 internet users in Indonesia, 40% of them are social media addicts. It means that most of internet users are social media owners. Beside as media to update status, now some social medias have content to promote online shop. In this internet era, people who want to buy something not only go to the shops but also find it in internet (Lee, Cheng, & Shih, 2017)

Online shopping becomes trend among people, and many online shop sites grow fast. It must be admitted that online shop has its own magical interest, so many people turn from offline shopping to online shopping. The customers get many easier way by purchasing online, such as no need to go home just wait the order comes, the payment can be transferred, credit and also cash on delivery method which the payment can be done when the order arrives. All of these reasons make people choose to purchase via online.

However, on the other hand some people don't want to try online shopping. They are afraid of deceit that they will lose their money, or the things they

ordered aren't in line with the specification. Therefore, testimonials from the customers is the important way to build trust consumers in purchasing (Setiawati, 2015).

Beside testimonial, promotion also has important role to determine the success of marketing program (Pamungkas & Zuhroh, 2016). The increase of social media users such as Forum (kaskus), social networking (facebook, instagram), virtual world (kaneva), online game, sharing sites (youtube, flick) until micro blogging (twitter) gives opportunities to promote via social media because it can reach all of segments cheaply and even freely. Promotion via social media also can contact directly and form communication in unlimited time.

In social media, individuals adopt electronic word-of mouth (e-WOM) on social networking sites (Park, Shin, & Ju, 2017), a kind of communication "word of mouth" creates precious opportunities because people can discuss about the product and its service to many others (Lee et al., 2017). Beside that, eWOM also give useful insight to social media users (Chu & Sung, 2015). Word of mouth by online can reach consumers faster and wider than by offline because it has big accessibility in creating purchasing interest. The available of review products posted by consumers in social media will help other consumers

who seeking the information about the products before doing purchasing. The purpose of the research is to know testimonial research, social media based promotions and E-WOM toward purchase intention at Laris online shop.

## 2 LITERATURE REVIEW

### 2.1 Testimonial

According to Griffith (2011: 153) *testimonial* is the way to build credibility, which information published on media must tend to majority than private interest. Testimonial -testimonium in Indonesian official dictionary- is acknowledgment or support toward a kind of business from satisfied consumers. *Testimonial* helps consumers to make decision in using products or services because recommendation from third person, and it will be more convincing if the customers who have used the products share their experiences.

### 2.2 Social Media Based Promotions

Promotion by using social media in this research refer to Chris Heuer's opinion in Solis (2011). It is promotion activities done by Bontacos via social media to influence consumer's purchasing decision by giving information to the consumers about products, price, event etc. It is also to build good communication with customers. Promotion by using social media can be measured with the following indicators: *context, communication, collaboration and connection*.

### 2.3 E-Wom

*E-WOM* gives motivation to the consumers in forming their own impression toward products' image, so they are interested in doing purchasing. To measure the influence of *electronic word of mouth*, it is done by indicator to read product review-*WOM*, consultation with other consumers, gather information from product review, anxiety if they don't read product review, self confidence to buy product after reading product review (Reza Jalilvand & Samiei, 2012).

### 2.4 Purchasing Intention

Purchasing intention is consumers' behaviour whose have interest to buy or choose a product based on their experiences in choosing, using and consuming, or even in desiring a kind of product.

### 2.5 Hypothesis

1. Testimonial has significant influence toward purchase intention on Laris online shop.
2. Social media based promotions has significant influence toward purchase intention on Laris online shop.
3. Electronic word of mouth has significant influence toward purchase intention on Laris online shop.

Testimonial, social media based promotions and E-WOM has significant influence toward purchase intention on Laris online shop.

## 3 RESEARCH METHOD

The design of this research is explanatory research. the population in this study were consumers who had been shopping at best-selling shop more than once, not limited to gender and who made transactions last 3 months, namely 97 customers. According to Yount in (Rahayu & Ruhamak, 2016) if the number of population is less than 100, it will be better all of the respondents are taken so the research is population research or census.

### 3.1 Data Analysis

The method of data gathering used questionnair, while the data analysis used in this research are validity and reliability test of research instruments, doubled linear regression test, F and T test to test hypothesis, and also coefficient determination.

## 4 RESULT AND DISCUSSION

### 4.1 Validity and Reliability Test

Based on the result of questionnaire test, all of the istruments show valid results because all item scores are beyond critical limit, and also reliable because the value of output are beyond 0,6.

## 4.2 Doubled Linear Regression Test

Table 1: Table of Test Analysis.

	B	T	Sig	F	Sig	Adjusted Rsquare
CONSTANT	12,607	7,396	0,000	9,216	0,000	0,204
TESTIMONIAL	-0,332	-3,547	0,001			
SOCIAL MEDIA BASED PROMOTION	-0,186	-2,268	0,026			
E WOM	0,199	4,415	0,000			

Based on the test result, it is got constant value and coefficient regression, so it can be formed equation of regression as follows:

$$Y = 12.607 - 0.332 X_1 - 0.188 X_2 + 0.199 X_3 + e$$

Constance ( $\alpha$ ) with value 12.607 shows if variable X (testimonial, promotion based social media dan eWom) has value zero so the value of purchase intention is 12.607.

Testimonial coefficient regression with value - 0.332 shows negative correlation which when testimonial increases 1% so purchase intention will decrease 0.332.

Next, the value of coefficient regression promotion based social media is - 0.188 that also shows negative correlation where every raising of promotion based social media as big as 1% so purchase intention will decrease 0.118.

Coefficient regression electronic word of mouth shows positive value as big as 0.199 that means every upgrading of electronic word of mouth as big as 1% so purchase intention will increase 0.199.

### 4.3 Hypothesis test

Value F table with significance ( $\alpha$ ) 0.05 as big as 1.405. Based on the result of test above, it can be got value f count is  $9.216 > 1.405$  (F table), and also has significant value  $0.00 < \alpha$  (0.05). So hypothesis that testimonial, social media based promotion and electronic word of mouth influences significantly toward purchase intention is accepted. It means that variable x simultaneously influence toward purchase intention.

Value of T table for  $n=97-k-1$  with significance level ( $\alpha$ ) 0.05 is 1.99. The result of the test above for variable X1 (testimonial) has value Tcount  $-3.547 < 1.99$  also significance  $0.001 < 0.05$  so hypothesis that testimonial influences significantly toward purchase intention is accepted, the value of testimonial negative shows the opposite relation with purchase intention. Variable X2 (promotion based social media) has value Tcount as big as  $-2.268 < 1.99$  and also significant value  $0.026 < 0.05$  so hypothesis that stated social media based promotion influences significantly toward purchase intention is accepted.

Promotion value based social media negative show the opposite relation with purchase intention. Value Tcount electronic Word Of Mouth as big as  $4.415 > 1.99$  and also significant value  $0.000 < 0.05$  shows that hypothesis that states electronic word of mouth influences significantly toward toward purchase intention is accepted. Positive value shows electronic word of mouth has in line correlation and also gives contribution toward purchase intention.

### 4.4 Coefficient Determination

Based on the result above, it can be concluded that testimonial, social media based promotion and electronic word of mouth give contribution 20.4% toward purchase intention, while 78.6% is influenced by other variables that aren't studied. So it can be concluded that independent variables in explaining variable variation is very limited.

## 5 CONCLUSIONS

Testimonial has negative value, it shows the worse testimonial given the more increasing of consumers' purchase intention because they have less trust for testimonies on social media of owners and believe in owners' statements. Significant value shows that testimonial influences purchase intention. Promotion based media social has negative value, it shows that the rarer promotion done in social media, the more purchase intention because many consumers and the members of social media know if the owner has good reputation. Significant value shows that promotion based social media has influence toward purchase intention. Electronic word of mouth has positive value and significant. Which the wider reach of electronic word of mouth will increase customers' purchase intention on Laris online shop. On the whole, Testimonial, Social Media Based Promotion and Electronic Word Of Mouth have big influence as big as 20.4% toward Purchase Intention. This shows

that there are many other variables which aren't studied and also influence toward purchase intention.

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