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SYSTEMATIC LITERATURE REVIEW: THE RELATIONSHIP OF E-WORD OF MOUTH WITH PURCHASE DECISION

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Abstract

The use of technology makes it easier to search for and obtain information by digitizing word of mouth (WOM) literacy and improving purchasing decisions. The aim of this research is to answer the research question, namely to find out what methods are used to analyze the role of e-WOM in decision making. This research method uses a Systematic Literature Review, by searching for journal articles and proceedings published from 2018 - 2023. The mapping results show that the data analysis methods that are widely used are SEM and multiple linear regression. Findings from various journal articles show that e-WOM variables influence purchasing decisions.

Keywords: E-WOM, Purchase Decision, Literacy

Abstract

Penggunaan teknologi mempermudah pencarian dan perolehan informasi dengan mendigitalisasi literasi word of mouth (WOM) dan meningkatkan keputusan pembelian. Tujuan dari penelitian ini adalah untuk menjawab pertanyaan penelitian, yaitu untuk mengetahui metode apa yang digunakan untuk menganalisis peran e-WOM dalam pengambilan keputusan. Metode penelitian ini menggunakan Systematic Literature Review, dengan mencari artikel jurnal dan prosiding yang diterbitkan dari tahun 2018 - 2023. Hasil pemetaan menunjukkan bahwa metode analisis data yang banyak digunakan adalah SEM dan regresi linier berganda. Temuan dari berbagai artikel jurnal menunjukkan bahwa variabel e-WOM berpengaruh terhadap keputusan pembelian.

Kata Kunci: E-WOM, Purchase Decision, Literacy

INTRODUCTION

The use of technology makes searching and information easier by digitizing word of mouth (WoM) literacy and improving purchasing decisions. In the world of digitalization, word of mouth (WOM) is known as Electronic Word of Mouth (e-WoM). Electronic Word of Mouth (e-WoM) focuses on the distribution of opinions, experiences and product or service recommendations made through online platforms.(Hennig-Thurau and Walsh, 2003). With the advent of the internet and social media, eWOM has become an influential factor in consumer decision making(Dewi, Fajariah and Suardana, 2023). Currently, in order to meet their needs, many people have been able to read history or digital traces and contribute to them on the internet, which can significantly influence purchasing decisions.(Hennig-Thurau and Walsh, 2003)

Prospective customers who read e-WoM want to get accurate information. Consumers may have less confidence in the accuracy of information about certain platforms, such as TikTok, and turn to e-WoM to gather more reliable information before making purchasing decisions(Dewi, Fajariah and Suardana, 2023). Information conveyed on various digital marketplace platforms opens up customer opinions where they can share information related to products that have been purchased as feedback and experiences between marketplace users, thereby enabling e-WoM communication.(Hennig-Thurau et al., 2004)

The motives behind involvement in e-WoM can vary. Research has identified four motivations for e-WoM: altruism, self-enhancement, social benefit, and emotional release(Ahmad and Febrina, 2018). Consumers may engage in e-WoM to help others make the right decisions (altruism), to improve their own self-image (self-enhancement), to gain social benefits such as recognition or a sense of belonging (social benefits), or to express and relieve emotions them (emotional release)(Ahmad and Febrina, 2018). The forms of e-WoM used in research include detailed product reviews, customer testimonials, interacting with online communities and following developments in brand reputation online.

The impact of e-WoM on consumer decision making is significant (Rusli and Mulyandi, 2019),(Hendro and Keni, 2020). Research has shown that eWOM can influence purchase intentions and brand image (Andriyani, Fitriani and Rahardja, 2022). Positive or negative statements made by potential customers, current customers, or loyal customers about a product or company through eWOM can have a major impact on the purchase intentions of other

consumers(Andriyani, Fitriani and Rahardja, 2022). The quantity and quality of e-WoM also plays a role in shaping consumer perceptions and purchasing intentions(Andriyani, Fitriani and Rahardja, 2022).

The post-Covid-19 pandemic has had a significant impact on various aspects of people's lives, including the way consumers make purchasing decisions. With restrictions on physical interactions and increasing reliance on online platforms, electronic word of mouth (e-WoM) has emerged as an important factor in online purchasing decisions (Dewi, Fajariah and Suardana, 2023). e-WoM refers to the dissemination of opinions, experiences, and recommendations about products or services through online platforms.

One of the key benefits of e-WoM in the post-COVID-19 era is the ability to access trustworthy information. During the pandemic, consumers face challenges in evaluating products or services due to limited physical interactions and the inability to rely on traditional sources of information (Gultom, Sundara and Fatwara, 2022). eWOM provides a platform for consumers to collect information from other consumers who have experienced the product or service, so they can make more informed decisions(Dewi, Fajariah and Suardana, 2023).

The existence of e-WoM plays an important role in building trust and credibility in online purchases. During the ongoing pandemic, online fraud and fraudulent activities have occurred, making consumers more careful when making online transactions (Sugiarto, 2020). Positive E-WoM can help alleviate these concerns by providing social proof and reassurance that the product or service is reliable and trustworthy(Kameswara and Respati, 2022). Consumers are more likely to trust the opinions and experiences shared by other customers, leading to increased confidence in their purchasing decisions (Dewi and Sukaatmadja, 2022).

Based on the explanation above, this research was conducted to determine the role of the e-WoM variable on purchasing decisions. This research uses the SLR (Systematic Literature Review) method to review research that has been conducted previously. With this research, it is hoped that business actors can benefit business actors to improve marketing in businesses.

METHODOLOGY

The stages in this research consist of 3 (three) process flows, namely: (1) planning, which is the initial stage in the SLR process (2) conducting, which is the implementation stage or SLR process, and (3) reporting, which is the stage of writing the SLR report. The object of this research is the influence of e-WoM on purchasing decisions. The choice of this research object

was due to the many factors that influence purchasing decisions, in fact there are many e-WoM methods that can be used to support consumers as considerations for purchasing decisions.

Research questions, is the process of determining research questions based on the chosen topic. The Research Questions used in this research are:

- RQ1: what method is used to analyze the influence of e-WoM on online purchasing decisions
- RQ2: what is the influence of e-WoM on online purchasing decisions

Search Process is an activity that aims to obtain related or relevant sources or references in order to answer previously determined questions, the process of searching for references in research via Google Scholar with the address<u>https://scholar.google.com/</u>. The keywords in this research are "electronic word of mouth" and "pushing decision".

Use double quotation marks in searches so that search results display keywords completely and not separately. Likewise, the use of "and" is used as a link between the first and second phrases being searched for. This aims to get search results that are not separate. Determining criteria needs to be done in the SLR process. This is useful for determining whether the sources or data found are suitable for use in research or not. The criteria used in research to state whether the source data obtained is appropriate are:

- The data time range used is from 2018 to 2023
- The data used is related to e-WoM and purchasing decisions
- Data obtained from<u>https://scholar.google.com/</u>
- The only sources used as data are journal articles and proceedings
- The only language used in the journal is English.

Synthetic data aims to display data distribution according to the specified topic. This part of the process aims to sort all the articles obtained accurately and also obtain information from these articles(Han, Xu and Chen, 2018).

In the process of collecting and integrating data or research topics, Microsoft Excel and Mendelley tools are used.

DISCUSSION

When collecting articles, through Google Scholar, the title of the article is checked in relation to the keywords used. Based on the search results, 62 (sixty two) references were obtained whose titles matched the keyword criteria entered in the query. Of these articles, 47

articles were used in Indonesian language journals and 14 articles in English language journals were journals that met the criteria.

No	Journal/ Proceedings	Writer	Amount
1	Quality Innovation Prosperity	(Handi et al., 2018)	1
2	Journal of Management Dynamics	(Hardjono, Riyadi and Aris, 2020)	1
3	Publipreneur Scientific Journal	(Rahayu, 2020)	1
4	IOP Conference Series: Materials Science and Engineering	(Nurhasanah et al., 2021)	1
5	Ihtiyath: Journal of Sharia Financial Management	(Zulkarnain, 2021)	1
6	American Journal of Humanities and Social Sciences Research	(Made et al., 2021)	1
7	JCommsci - Journal Of Media and Communication Science	(Kinanti and Afriani, 2021)	1
8	JOURNAL OF MANAGEMENT AND BUSINESS DYNAMICS	(Alyssa Anindya Putri, Mohamad Rizan and Ika Febrilia, 2022)	1
9	Maksipreneur Journal: Management, Cooperatives and Entrepreneurship	(Rahmawati, Jatmiko and Sa'diyah, 2022)	1
10	IDEAS: Journal of Management & Technology	(Stefanny, Rahmiati and Roni, 2022)	1
11	Journal of Economics, Business and Accountancy VENTURA	(Nurhadi, Suryani and Fauzi, 2023)	1
12	INTERNATIONAL JOURNAL OF RESEARCH IN BUSINESS AND SOCIAL (IJRBS)	(Sudirman et al., 2023)	1
13	International Journal of Business and Quality Research	(Amiroh, Sudarmiatin and Winarno, 2023)	1
14	International Journal of Research and Reviews	(Claudia, Ginting and Fawzeea Sembiring, 2023)	1

Table 1 Search Results for Journal Articles

Source: processed data, 2023

After the selection and screening process, according to the criteria for the year of publication of the article, 1 article was published in 2018, 2 articles were published in 2020, 4 articles were published in 2021, 3 articles were published in 2022, and 4 articles were published in 2023.

Based on the search for journal articles obtained, we can also find out the frequency of the types of constructs used in research related to e-WoM. Mapping Each construct found is mapped in table 2

NO	Construct/Variable	Literary Sources
1	Perceived Value	(Handi et al., 2018; Zulkarnain, 2021)
2	Customer Preferences	(Hardjono, Riyadi and Aris, 2020)
3	BrandLove	(Rahayu, 2020)
4	Brand Trust	(Nurhasanah et al., 2021; Stefanny, Rahmiati and Roni, 2022)
5	Brand Ambassadors	(Nurhasanah et al., 2021; Rahmawati, Jatmiko and Sa'diyah, 2022; Amiroh, Sudarmiatin and Winarno, 2023)
6	Trust	(Made et al., 2021)
7	Celebrity Endorser	(Kinanti and Afriani, 2021)
8	Social media marketing	(Alyssa Anindya Putri, Mohamad Rizan and Ika Febrilia, 2022)
9	Website Quality	(Rahmawati, Jatmiko and Sa'diyah, 2022)
10	Brand Image	(Stefanny, Rahmiati and Roni, 2022; Claudia, Ginting
		and Fawzeea Sembiring, 2023; Nurhadi, Suryani and
		Fauzi, 2023)
11	Brand Experience	(Sudirman et al., 2023)
12	E-Trust	(Claudia, Ginting and Fawzeea Sembiring, 2023)

Table 2. Mapping of research constructs

Source: processed data, 2023

From the mapping of previous research in table 2, the results show that the variables most frequently used in research are Brand Ambassador and Brand Image. After knowing the frequency of the constructs used in the research, the next step is to explore the data analysis methods used in previous research. The results of the search for research methods are in table 3.

No	Research methods	Literary Sources
1	Path Analysis	(Made et al., 2021)
2	Multiple Linear	(Hardjono, Riyadi and Aris, 2020; Kinanti and Afriani, 2021;
	Regression	Zulkarnain, 2021; Rahmawati, Jatmiko and Sa'diyah, 2022;
		Claudia, Ginting and Fawzeea Sembiring, 2023)
3	SEM	(Handi et al., 2018; Rahayu, 2020)
4	SEM Lisrel	(Alyssa Anindya Putri, Mohamad Rizan and Ika Febrilia, 2022)
5	PLS - SEM	(Nurhasanah et al., 2021; Stefanny, Rahmiati and Roni, 2022;
		Amiroh, Sudarmiatin and Winarno, 2023; Nurhadi, Suryani and
		Fauzi, 2023; Sudirman et al., 2023)

Table 3. Research Construct Mapping

Source: processed, 2023

From the research method mapping table, as well as answering question RQ1, information was obtained that the data analysis methods that are widely used are Multiple Linear Regression and PLS-SEM. The percentage of research methods used can be seen in Figure 1.



Figure 1. Percentage of data analysis methods used Source: processed data, 2021

The image of the influence of e-WoM on purchasing decisions by looking at the research variables obtained from table 2 is useful for answering RQ2. Based on information research analysis, e-WoM has a significant positive effect on purchasing decisions(Handi et al., 2018).(Hardjono, Riyadi and Aris, 2020)explains that e-WoM has a significant positive influence on conventional products.(Rahayu, 2020)The results of his research provide information that e-WoM has a positive effect on purchasing decisions. (Nurhasanah et al., 2021) The research results showed that e-WoM information had a positive and significant effect on purchasing decisions, while brand trust and brand ambassadors had a significant effect on purchasing decisions.(Zulkarnain, 2021)The research results showed that e-WoM and perceived value had a positive and significant effect on purchasing decisions. (Made et al., 2021) resulted in research that e-WoM had a positive and significant effect on purchasing decisions and also e-WoM had a positive and significant effect on trust and trust had a positive and significant effect on purchasing decisions.(Kinanti and Afriani, 2021)research produced by e-WoM has a partially significant effect on purchasing decisions, celebrity endorsers do not have a partially significant effect on purchasing decisions while they simultaneously have a significant effect on purchasing decisions.(Alyssa Anindya Putri, Mohamad Rizan and Ika Febrilia, 2022)has a positive and significant effect on purchasing decisions through purchase interest.(Rahmawati, Jatmiko and Sa'diyah, 2022)that brand ambassador, website quality, and e-WoM have a positive and significant effect, both partial and simultaneous, on purchasing decisions.

(Stefanny, Rahmiati and Roni, 2022)explained that his research e-WoM has a big impact on purchasing choices, brand trust and brand image, besides that brand image and brand trust have a big impact on purchasing decisions, as a result e-WoM has a big impact on purchasing decisions which are mediated through brand trust and brand image. (Nurhadi, Suryani and Fauzi, 2023)His research resulted in information that there is a positive influence of website quality and social media quality on brand quality, as well as the influence of brand awareness on e-WoM, brand image and purchasing decisions. Apart from that, there is the influence of e-WoM and brand image on purchasing decisions.

(Sudirman et al., 2023)that e-WoM and brand experience have a positive and significant effect on purchasing decisions.(Amiroh, Sudarmiatin and Winarno, 2023)Brand ambassador, e-WoM and purchasing decisions have a direct positive and significant influence on customer loyalty, while purchasing decisions have a positive and significant mediating effect on brand ambassador and e-WoM on customer loyalty.

(Claudia, Ginting and Fawzeea Sembiring, 2023)explains the information that e-WoM and brand image have a positive and significant influence on purchasing decisions, but e-trust does not have a significant effect as a moderator of e-WoM on purchasing decisions. E-trust has a significant effect as a moderator of brand image on purchasing decisions.

CONCLUSION

Based on the 14 (fourteen) articles reviewed, through the SLR process, with an article publication period between 2018 and 2023, the results showed that only 14 articles met the criteria and were used as references in this research. Based on the findings obtained, the method is widely used to analyze e-WoM variable data on purchasing decisions, multiple regression and PLS-SEM. The research results also show that most of the independent e-WoM variables influence purchasing decisions.

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