The Influence Of e-WOM On Tiktok Towards Information Adoption, Information Usefulness And Purchase Intention (A Study Case Of Wardah Beauty)

Amanda Nabila Mayreri[1], Heppy Milanyani[2]
[1] ICT Business Management, Economics and Business Faculty, Telkom University, Indonesia, Aamandamayreri@student.telkomuniversity.ac.id
[2] ICT Business Management, Economics and Business Faculty, Telkom University, Indonesia, heppymill@telkomuniversity.ac.id

Abstract

The cosmetic industry in Indonesia has grown and developed rapidly in recent years. Wardah is a cosmetic product from Indonesia. Data shows that one of the most popular social media in 2020 is TikTok and beauty content is one of the most popular content categories on TikTok. Electronic Word of Mouth is one form of marketing communication strategy, it can help companies to increase interest in buying products. This study aims to determine whether there is an effect of Electronic Word of Mouth on TikTok on Wardah'sbuying interest. To understand the effect of eWOM, this study involves six characteristics: information quality, Information Credibility, Needs of Information, Information Usefulness, Attitude Toward Information, and Information Adoption on Purchase Intention. The research method used in this study is a quantitative method with Structural Equation Modelling as technical data analysis and using Amos24. Researcher distributed questionnaires via google form to 409 respondentsare TikTok users in Indonesia and knowing the Wardah brand. The results of this study indicate that there is an effect of Electronic Word of Mouth on purchase intention partially based on the results of hypothesis testing (t-test).For further research, other platforms that are more trending at the time can be used. Further research can alsoadd new variables that can cover a wider area.

Keywords-electronic word of mouth, purchase intention, TikTok, Wardah

Abstrak

Industri kosmetik di Indonesia telah tumbuh dan berkembang pesat dalam beberapa tahun terakhir. Wardah merupakan salah satu produk kosmetik dari Indonesia. Data menunjukan bahwa salah satu media sosial terpopuler 2020 adalah TikTok. Konten kecantikan menjadi salah satu katagori konten terpopuler di TikTok. Electronic Word of Mouth merupakan salah satu bentuk dari strategi pemasaran, dengan adanya eWOM membantu perusahaan untuk meningkatkan minat beli produk yang ditawarkan oleh Wardah. Penelitian ini bertujuan untuk mengetahui adakah pengaruh Electronic Word of Mouth pada TikTok terhadap minat beli Wardah. Untuk memahami pengaruh eWOM, penelitian ini melibatkan enam Information Quality, Information Credibility, Needs of Information, Information Usefulness, Attitude Toward Information, dan Information Adoption terhadap Purchase Intention. Metode yang digunakan di dalam penelitian ini adalah kuantitatif dengan mneggunakan Structrural Equation Modelling dan dengan menggunakan Amos24. Kuisoner disebarkan melalui google form dengan jumlah responden sebanyak 409 responden dengan kritertia responden yaitu pengguna TikTok di Indonesia dan mengetahui merek Wardah. Hasil pada penelitian ini menunjukan bahwa terdapat pengaruh Electronic Word of Mouth terhadap minat beli secara parsial berdasarkan hasil dari uji hipotesis).Penelitian selanjutnya dapat menggunakan platform lain yang lebih trending pada masanya. Penelitian selanjutnya juga dapat menambahkan variabel baru yang dapat mencakup wilayah yang lebih luas.

Kata Kunci-electronic word-of- mouth, minat beli, TikTok, Wardah

I. INTRODUCTION

The development of an increasingly progressive era has indirectly pushed us to a more modern state. Many technologies were then created to facilitate human activities. Today's current growth and technology have becomea social phenomenon affecting many things. According to Hootsuite, internet users have reached 175.4 million people in Indonesia with 272.1 million people [1].

Social Media at this time has become a lifestyle for people to be able to socialize with people who are connectedin a particular community. Based on data from Hootsuite 2020, TikTok is the 13th most frequently used social media platform in Indonesia.

Marketing is explained by [2], social media has many impacts towards some aspects, such as Customer Relationship Management, Consumers Behaviour and Perceptions, and Electronic Word of Mouth. Electronic word of mouth is marketing using the internet to create the effect of word of mouth to support marketing efforts and goals. In addition, social media is explained by [3] one of example of Electronic Word of Mouth. TikTok is a social media. Electronic Word of Mouth has great power to impact consumer buying behaviour. Recommendationsfrom trusted friends, associations, and other consumers have the potential to be more trusted than from commercialsources, such as advertisements and salespeople the range of 7 percent to US$7.45 million from 2020 US$6.95 million [4]. Competition between brands is one of the triggering factors for cosmetic industry actors to innovate, transform, and be agile in adapting.

According to survey by [5] as of January 2020, there were approximately 7.37 million Wardah beauty products sold in Indonesian online stores such as Shopee, Tokopedia and Bukalapak. According to a survey conducted by iprice.co.id [6], Wardah reached second place, in the first place is Somethinc, the brand was established in 2019, even though Wardah itself was founded in 1995. Wardah by brand hashtag while Somethinc has 57 million views. It shows a large gap between Somethinc and Wardah. Therefore, research should be conducted to investigate this situation. A situation which occurs where there are large gaps between Wardah and its competitors through TikTok activity.

II. LITERATURE REVIEW
A. Literature Review
1. Marketing

The base of this research literature review comes from marketing theory. Marketing is explained by [7] is the activity, collection of institutions, and procedures for producing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society as a whole. Marketing is a process carried out by every company to create value for customers and build strong relationships with customers themselves and get value from customers in return explained by [8].Marketing is about identifying and meeting human and social needs.

2. Marketing Communication

Marketing communication explained by [9] is a multidisciplinary approach that blends communication science with marketing science theories and concepts. The research led to the creation of a new study called marketing communication. Marketing communication is a type of marketing activity that uses communication tactics to deliver information about a firm to its target market. Marketing communications represent the company's and its brand's "voice" and are a way for businesses to engage with customers and establish relationships.

3. Social Media Marketing

Social media marketing refers to the practice of leveraging social media sites for marketing reasons. In the business-to-consumer (B2C) sector, social media marketing is common, and the idea of social media in relation to B2C has been researched extensively [10]. Social Media Marketing can be used as part of a business strategy to build a community, engagement and continuous interaction with customers.

4. Electronic Word of Mouth

E-WOM, as defined by [11] is a positive or negative comment about a product or company made by future, present, or past consumers and made available to a large number of people over the internet. The term "electronic world of mouth" arose because of the increasing number of internet users who were increasing day by day and giving rise to a new communication in social media platforms and online forums. There are various differences between the two, including the fact that eWOM is more accessible than WOM, that eWOM is easier to assess than WOM, and that the nature of eWOM cannot be reviewed by the sender or the message [12]. Taking from the information adoption model proposed by Sussman & Siegal (2003) [13], the following are the factors that influence e-WOM:

a. Information Adoption
b. Information Usefulness
c. Information Credibility
d. Information Quality

e. Needs of Information
f. Attitude Towards Information
g. Purchase Intention
   Purchase intention explained by [14] is a concentration of attention on something accompanied by feelings of pleasure for the item, after which the individual's interest causes a desire, resulting in a convincing feeling that the item has benefits, causing people to want to buy goods by paying or exchanging for money.
B. Theoretical Framework
   This research adopts the information adoption model by [15]. The information acceptance model (IACM) is a model introduced in this study that shows that the influence of e-WOM on social media is dependent not only on the features of e-WOM information, such as quality and credibility, but also on the consumers' behavior toward e-WOM information. IAM is a combination of Technology Acceptance Model and Elaboration Likelihood Model.
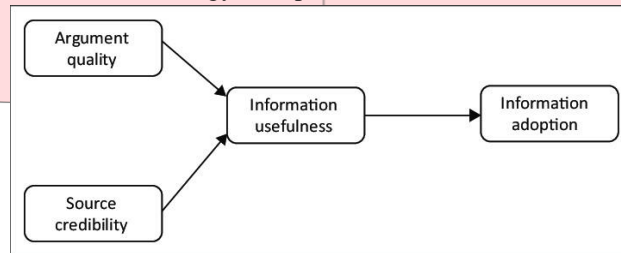

Figure 2.1 Information Adoption Model

   Research by [16] uses a conceptual model developed based on the integration of the Information Adoption Model (IAM) and components related to the Theory of Reasoned Action (TRA). Research by [17] investigated the variables of e-WOM data, for example, Information Quality and Information Credibility. Information Usefulness was utilized as a factor in impact measure and the way to information Adoption. In the first examination by [18] they constructed another exploration structure called the Information Acceptance Model (IACM) which added purchaser conduct viewpoints towards e-WOM data like Needs of Information and Attitudes towards Information. Based on the previous explanation, this research will be using variables from information adoption model. This research is aims to find out the influence of Electronic Word of Mouth on Purchase Intention. Therefore, this study the writer uses the purposed model of theoretical framework as follows:
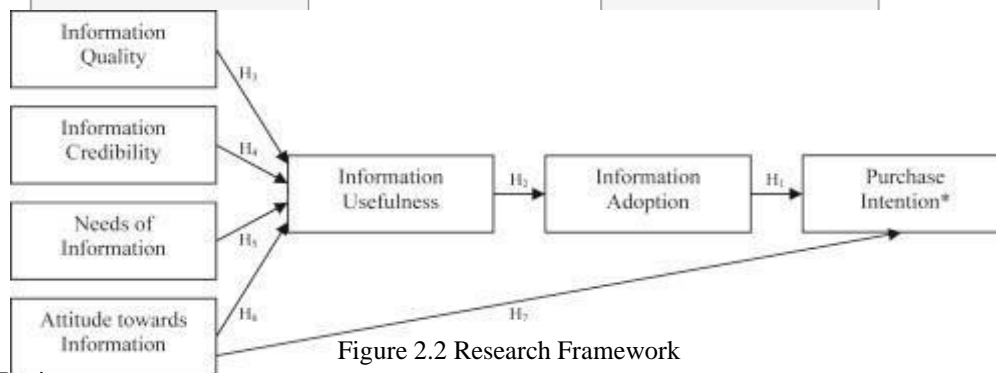

Figure 2.2 Research Framework

C. Hypothesis Testing

   Based on the description on research framework, the hypothesis for this research is:
   H1: The adoption of e-WOM information has a positive effect to consumer purchase intention in Wardah.
   H2: The usefulness of e-WOM information has a positive effect to the adoption of e-WOM information.
   H3: The quality of e-WOM information has a positive effect to the usefulness of e-WOM information.
   H4: The credibility of e-WOM information has a positive effect to the usefulness of e-WOM information.
   H5: The need of information for e-WOM has a positive effect to the usefulness of e-WOM information.
   H6: Attitudes towards e-WOM information have a positive effect to the usefulness of e-WOM information.
   H7: Attitudes towards e-WOM information have a effect to consumer purchase intention in Wardah

III. RESEARCH METHODOLOGY

A. Research Characteristics

This research is a descriptive-causal with a quantitative methods approach. The data collection methods will use a questionnaire to gather the data from the respondents. Based on the purpose of this study, causality studies will be used. The goal of this study is to determine which variables are the causes and which variables are the effects and determine whether the relationship is positive or negative.

B. Data Collection

The data used for this study was gathered by handing out questionnaires to the participants. The population used in this study is the Indonesian people who know the information about Wardah cosmetic products in Indonesia and Indonesian TikTok users who know or have ever encountered Wardah content on TikTok. With a total of up to 409 respondents.

C. Data Analysis Technique

Data Analysis Technique in this study is quantitative research. The descriptive analysis provides an overview of the research subject based on the variable data obtained from the questionnaire. In addition, this research also uses the analysis technique in this study uses the Analysis of Moments Structure (AMOS) software which is one of the software to perform analysis on the Structural Equation Model (SEM).

IV. RESULTS

A. Respondent Characteristics

In this research, there are 409 respondents, which fulfill the sample size of 384 in this research. The first demographic character is gender. Of 409 respondents, 377 was female and 32 males. The second demographic character is age. 170 respondents was < 20 years old, 232 respondents 21-25 years old, 4 respondents 26-30 years old, and 3 respondents > 35 years old. The third demographic character is educational background. The respondents consist of, 4 respondents Junior High School, 206 respondents Senior High School, 16 respondents Diploma, 178 respondents Bachelor Degree, and 4 respondents Master Degree.

B. Descriptive Analysis

The analysis results obtained on the Information Quality Variable get 84.64% with a very good category. The analysis results obtained on the Information Credibility Variable get 79.47%, with a good category. The analysis results obtained on the Needs of Information Variable get 78.67%, with a good category. The analysis results obtained on the Attitude Towards Information Variable get 77.03%, with a good category. The analysis results obtained on the Information Usefulness Variable get 81.95%, with a good category. The analysis results obtained on the Information Adoption Variable get 81.46%, with a good category. The analysis results obtained on the Purchase Intention Variable get 81.36%, with a good category.

C. Structural Equation Model

The method used in this research is the Structural Equation Model, with the help of AMOS24 software. The structural model equation model evaluation results can determine whether the hypothesis is accepted or rejected. In addition, the use of SEM can determine the relationship between the variables in this study.
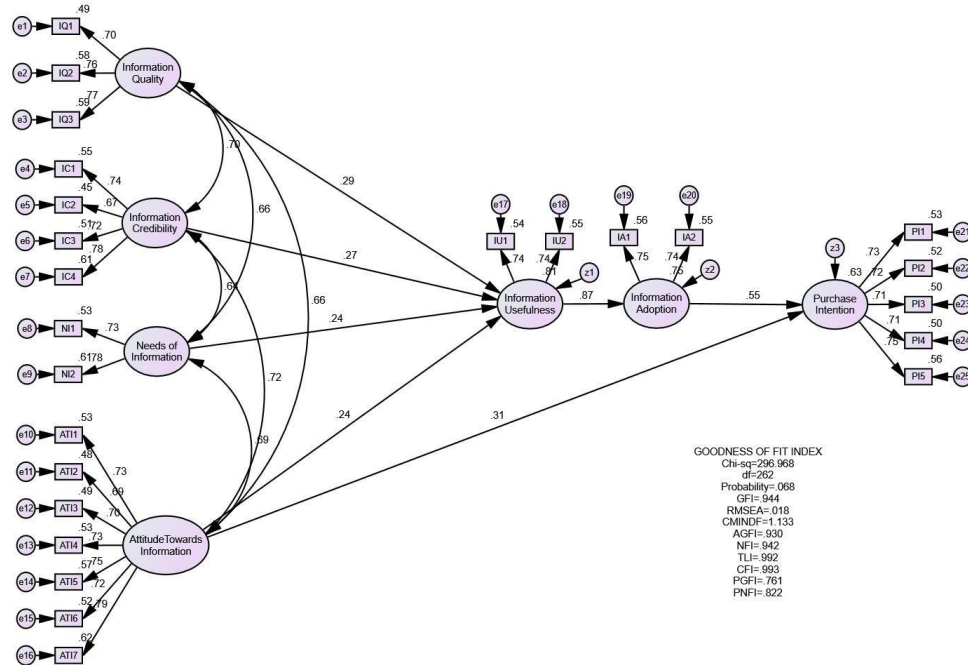
Figure 4.1 Amos 24 Research Model

Figure 3.1 shows all the relationships between the variables in this study. The variables in this study are Information Quality, Information Credibility, Needs of Information, Attitude Towards Information, Information Usefulness, Information Adoption, and Purchase Intention. Goodness of fit test was conducted in this research. According to [19]there are several test tools from Goodness of Fit, Absolute Fit Indices, Incremental Fit Indices, and Parsimony Fit Indices. Based on the results of research using Amos 24 are as follow:

Table 4.1 Goodness of Fit Test

Goodness of Fit Index	Cut off Value	Result	Model Evaluation
Chi – Square	⬜ 292,175	225,581	Fit
GFI	⬜ 0,90	0,958	Fit
RMSEA	⬜ 0,08	0,018	Fit
CMIN/DF	⬜ 2,00	0,888	Fit
AGFI	⬜ 0,90	0,946	Fit
NFI	⬜ 0,90	0,956	Fit
TLI	⬜ 0,90	1,007	Fit
CFI	⬜ 0,90	1,000	Fit
PGFI	0,00-1,00	0,748	Fit
PNFI	⬜ 0,60	0,809	Fit

Furthermore, hypothesis testing is needed to determine whether the hypothesis is rejected or accepted. Hypothesis testing in this study uses a one-tail-test with a 5% level of significance; thus, the critical value must be met 1.96. The critical value shows the positive or negative effect between each variable. The results of hypothesis testing are as follow:

Table 4.2 Hypothesis Testing

	Estimate	Path Coefficient	S.E.	C.R.	P
Information Usefulness <--- Information Quality	.309	.292	.081	3.834	***
Information Usefulness <--- Information Credibility	.264	.266	.077	3.439	***
Information Usefulness <--- Needs of Information	.240	.235	0.81	2.959	. 003
Information Usefulness <--- Attitude Towards Information	.245	.242	.075	3.264	.001
Information Adoption <--- Information Usefulness	.877	.869	.075	11.750	***
Purchase Intention <--- Information Adoption	.533	.548	.099	5.405	***
Purchase Intention <--- Attitude Towards Information	.309	.311	.087	3.576	***

The following are the results of this study:
1. Information Quality has a positive and significant effect on Information Usefulness because the CR value is 3.834, where this value is greater than 1.96, and the p-value is less than 0.05. Thus, it can be concluded that information quality is positively effecting information usefulness.
2. Information Credibility has a positive and significant effect on Information Usefulness because the CR value is 3,439, where this value is greater than 1.96, and the p-value is less than 0.05. Thus, it can be concluded that information credibility is positively effecting information usefulness
3. Needs of Information has a positive and significant effect on Information Usefulness because the CR value is 2,959. This value is greater than 1.96, and the p-value is 0.003 or less than 0.05. Thus, it can be concluded that the need for information positively effects information usefulness
4. Attitude Towards Information has a positive and significant effect on Information Usefulness. The CR value is 3,264, which is greater than 1.96, and the p-value is 0.001 or less than 0.05. Thus, it can be concluded that attitude towards information positively effecting information usefulness.
5. Information Usefulness has a positive and significant effect on Information Adoption because the CR value is 11.750, where this value is greater than 1.96, and the p-value is less than 0.05. Thus it can be concluded that information usefulness is positively effecting information adoption.
6. Information Adoption has a positive and significant effect on Purchase Intention because the CR value is 5.405, where this value is greater than 1.96, and the p-value is less than 0.05. This hypothesis has shown a value that resulted in H0 being rejected and H1 is accepted.
7. Attitude Towards Information has a positive and significant effect on Purchase Intention. The CR value is 3.576, greater than 1.96, and the p-value is less than 0.05. Thus, it can be concluded that attitude towards information positively effects purchase intention.

V. CONCLUSION AND SUGGESTION

A. Conclusion

The finding in this research will be used to answer the research questions in chapter one, and the conclusion will explain the essential parts. The following are the explanation of the conclusion that the author gathered:

1. The adoption of eWOM information has a positive effect on consumer buying intentions in Wardah
2. The usefulness of eWOM information is positively effecting to the adoption of eWOM information.
3. The quality of eWOM information is positively effecting to the usefulness of eWOM information.
4. The credibility of eWOM information is positively effecting to the usefulness of eWOM information.
5. The need of information for eWOM is positively effecting to the usefulness of eWOM information.
6. The attitudes towards eWOM information is positively effecting to the usefulness of eWOM information.

The attitudes towards eWOM information is positively effecting to the consumer purchase intention in Wardah.

B. Suggestion

1. Suggestion for Wardah
   a. The Information Usefulness variable has a positive and significant influence on Information Adoption. Wardah can provide helpful content for its viewers, for example, by multiplying content about the ingredients in Wardah's products to increase buying interest from buyers. The company can also improve content related to the introduction of Wardah products more deeply so that the information provided can make it easier for viewers.
   b. Based on the results from descriptive analysis, the lowest mean for the descriptive analysis results is in the variable Needs of Information, namely "If I have a little experience with Wardah products, I often use the review information on TikTok". This shows that Wardah should improve its content and more active in posting content in their social media to make it easier for potention buyers to find information about Wardah itself. In addition, creating the content with the latest trends to increase the interest of viewers to see the content.
   c. To increase purchase intention, Wardah can provide detailed and complete information about the products they market. In addition, Wardah can make maximum use of social media to increase purchaseintention. By making maximum use of social media, Wardah can involve customers and potential customers to communicate in two directions. In addition, Wardah can hold a simple quiz to attract purchase intention to establish communication between the brand and potential buyers or consumers.
2. Suggestion for future research
   a. This research uses TikTok social media. Future research can use other more recent platforms in their time so that the results of the further study can help brands analyze other platforms.
   b. For further research can add new variable, such as brand image (Jalilvand & Samiei, 2012), so that research can cover more boarder area.

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