# THE INFLUENCE OF SOCIAL MEDIA MARKETING, ELECTRONIC WORD OF MOUTH AND E-SERVICE QUALITY ON PURCHASE DECISIONS IN BUKALAPAK MARKETPLACE

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#### **ABSTRACT**

Bukalapak is one of the E-commerce companies in Indonesia. From the owner of a local shopping brand through its own group which was founded in 2010. Bukalapak's net income in the 2017-2021 period fluctuated and at the end of 2021, it decreased significantly. The purpose of this study was to determine the effect of Social Media Marketing, Electronic Word Of Mouth, and E-Service Quality on Purchase Decisions at the Bukalapak Marketplace in Bandung City. The research method used was quantitative methods with descriptive and verification approaches. The types of data used are primary and secondary data sources. The sampling technique used is purposive sampling with a sample size of 100 respondents. The descriptive results show that Purchase Decision, Social Media Marketing, Electronic Word Of Mouth, and E-Service Quality show the poor category. The results of the Coefficient of Determination Simultaneously the effect of Social Media Marketing, Electronic Word Of Mouth, and E-Service Quality on purchasing decisions is 74.5%, the remaining 25.5% is influenced by other factors and hypothesis testing shows that Social Media Marketing partially has a significant effect on decisions. Purchases with a Sig value of 0.035 < 0.05, Electronic Word Of Mouth partially has no significant effect on purchasing decisions with a Sig value of 0.064 > 0.05, and E-Service Quality partially has a significant effect on purchasing decisions. Social Media Marketing, Electronic Word Of Mouth, and E-Service Quality simultaneously have a significant effect on Purchase Decisions with a Sig value of 0.000 < 0.05.

Keywords: Social Media Marketing, Electronic Word Of Mouth, E-Service Quality, purchasing decisions

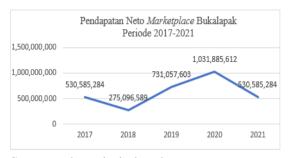
## INTRODUCTION

According to Bps.co.id, the widespread use of the internet is not only used by the Indonesian people to find information and communicate but also for economic activities. Buying and selling transactions that were originally carried out by meeting directly between the seller and the buyer, are now starting to change. The process of buying and selling goods and services can be done in the palm of a finger based on an electronic network. This is what is called E-Commerce. The presence of E-Commerce

makes it very easy for people to buy a product. In terms of business actors, they can further expand their market reach. Dissemination of information about a product can be done more quickly and has a very wide scope, so this has begun to shift patterns and ways of consumption, and has even become part of people's lifestyles.

With this phenomenon, many parties take advantage of this business opportunity to make a profit by creating or providing online stores as part of e-commerce. One type of e-commerce that is currently growing rapidly in Indonesia is the type of e-commerce market. In simple terms, a market can be defined as a place where sellers can create accounts and sell different types of goods. Facilities that support online buying and selling are also provided free of charge by market participants. One of the advantages of selling on marketplaces is that sellers don't have to set up more expensive websites or personal online shops.

According to Bukalapak.com, Bukalapak is one of the E-commerce companies in Indonesia. From the owner of a local shopping brand through its own group which was founded in 2010. Bukalapak was originally an online store that allowed Small and Medium Enterprises (SMEs) to venture into cyberspace. The company has now expanded into various other business lines, including helping to increase sales of traditional stalls through Mitra Bukalapak service. The following is a graph of the amount of Bukalapak Marketplace Net Revenue:



Source: about.bukalapak.com

**Figure 1.1** Bukalapak Marketplace net revenue

In figure 1.1, Bukalapak's net income in the 2017-2021 period has experienced fluctuations. Social media marketings are online activity and programs designed to engage customers or prospects and directly or indirectly increase awareness, improve the image or generate sales of products and services.

## Problem formulation in research

- (1) Pictures and graphic annotations are presented in How do respondents respond to Purchase Decisions in the Bukalapak Marketplace?
- (2) What are the respondents' responses regarding Social Media Marketing in the Bukalapak Marketplace?
- (3) How do respondents respond to Electronic Word of Mouth in the Bukalapak Marketplace?
- (4) How do respondents respond to E-Service Quality in the Bukalapak Marketplace?
- (5) How does Social Media Marketing influence Purchase Decisions in the Bukalapak Marketplace?

- (6) How does Electronic Word of Mouth influence Purchase Decisions in the Bukalapak Marketplace?
- (7) How does E-Service Quality influence Purchase Decisions in the Bukalapak Marketplace?
- (8) How does Social Media Marketing,
  Electronic Word Of Mouth and EService Quality influence Purchase
  Decisions in the Bukalapak
  Marketplace

## LITERATURE REVIEW

According to Kotler & Armstrong (2016: 177), defining purchasing decisions is part of consumer behavior. Consumer behavior is the study of how individuals, groups, and organizations choose, buy, use, and how goods, services, ideas, or experiences satisfy needs and wants. they.

Kotler & Armstrong (2016: 188), stated that purchasing decisions have the following dimensions and indicators:

- Product Choice, consumers can make decisions to buy a product.
- 2. Brand Choice, consumers must make decisions about brand names to be purchased.

- Choice of dealers, consumers must make a decision about which dealer to visit.
- 4. When buying decisions, consumers in choosing when to buy can vary, for example, some buy every day, or once a week.
- Number of purchases, consumers can make decisions about how much product to spend.
- 6. Payment methods, Consumers can make decisions about payment methods.

According to Gunelius (2015: 10), Social Media Marketing is any form of direct or indirect marketing that is used to build awareness, recognition, recall, and take action on a brand, business, product, person, or another thing that is packaged using media. on the social web, such as blogging, micro-blogging, social networking, social bookmarking, and content sharing.

According to Gunelius (2015:10), the dimensions and indicators of Social Media Marketing are as follows:

1. Content creation, Presenting interesting content is the basis for doing social media marketing.

- Content sharing, spreading promotional content to potential customers widely.
- Connecting, building an extensive network of relationships with consumers in their social media promotions.
- 4. Community building social web, Building a community (fanbase) on the internet with consumers who have the same interest and interest in products and services.

According to Elvira Ismagilova et al (2017; 52), Electronic Word Of Mouth is a marketing communication for exchanging positive and negative experiences of a product or service that has been consumed through online media.

According to Elvira Ismagilova et al (2017: 52), dividing the Electronic Word Of Mouth into the following five dimensions and indicators:

- Content, and information from social networking sites related to products and services.
- Recommendation Consistency, Recommendation consistency refers to recommendations that match other recommendations about the same product or service experience.

- Rating, Overall rating given by others and an average representation of how previous readers were.
- 4. Quality, The quality of information includes various components such as relevance, and timeliness.
- 5. Volume, Makes information more observable Volume indicates the popularity of a product or service.

According to Fandy Tjiptono (2014: 410), E-Service Quality or Electronic Service Quality is the extent to which the site facilitates effective and efficient shopping in terms of purchasing, ordering and shipping.

According to Fandy Tjiptono (2014: 410), described in his book the dimensions and indicators are divided into seven namely:

- Efficiency, and availability of complete, up-to-date, and easily understood information by customers.
- 2. Reliability (Reliability), is the tendency of consumers to be interested in the appearance of the website/web that is displayed.
- Fulfillment (Guarantee), completeness of the product based on what was promised.

- 4. Privacy, protecting customer personal information, and finances.
- 5. Responsiveness, provide a fast response in dealing with problems.
- 6. Compensation, Refund money in case of problems.
- 7. Contact, and provide services that can help when experiencing problems.

## **METHOD**

The type of research used in this study is a quantitative method with a descriptive and verification approach.

Population And Sampling Method

According to Sugiyono (2017: 80), the population is a generalization area consisting of: objects/subjects that have qualities and characteristics certain determined by researchers to study and then draw conclusions. Population This study used the target population of people aged 15-64 years in the city of Bandung, totaling 1,264,325 people in the last year. From the population, a sample is drawn, which is a portion of the population to be studied and considered representative to represent the population.

To determine the sample size (number of respondents) the authors use the Slovin formula, namely:

n=1.264.325/1+1.264325(0.01)=9.99

Based on this formula, a population sample of 1,264,325 respondents can be calculated with an error rate of 10%, so a sample of 99.99 respondents can be taken which is rounded up to 100 respondents.

## RESULT AND DISCUSSION

This research was conducted by distributing questionnaires to 100 respondents with 22 questions for Purchase Decision 6 items, Social Media Marketing 4 items, Electronic Word Of Mouth 5 items, and E-Service Quality 7 items. (1) Respondents' Responses to Purchase Decisions, it can be concluded that the overall answers from the Purchase Decision variables are included in the unfavorable category with a total score of 1,813. This shows that the Purchase Decision from customers is low on the Bukalapak Marketplace. (2) Respondents' Responses to Social Media Marketing, it can be concluded that the overall answers from Social Media Marketing are included in the unfavorable category with a total score of 1,179. This shows that Social Media Marketing from customers is low on the Bukalapak Marketplace. (3) Respondents' Responses to Electronic Word Of Mouth, it can be concluded that all answers from Electronic Word Of Mouth are included in the unfavourable category with a total score of 1,468. This shows that the Electronic Word Of Mouth from customers is low in the Bukalapak Marketplace. (4) Respondents' Responses to E-Service Quality, it can be concluded that all answers from E-Service Quality are included in the unfavorable category with a total score of 1,928. this shows that the E-Service Quality from customers is low on the Bukalapak Marketplace.

## Verification Analysis

At this stage, the classical assumption test will be carried out first, then multiple linear regression analysis, correlation coefficient analysis, coefficient of determination analysis, and finally the hypothesis test.

# Classic assumption test

In the classical assumption test, four tests were carried out including the normality test, multicollinearity test, heteroscedasticity test, and linearity test. And the results of the calculations from the four tests in this study passed the classical assumption test.

## Multiple Linear Analysis

The results of data processing for the multiple regression model on the variable Purchase Decision, Social Media Marketing, Electronic Word Of Mouth, and E-Service Quality.

**Table 1. 3**Multiple Regression Test Results

		Coef	ficients <sup>a</sup>			
		Unstandardize	d Coefficients	Standardized Coefficients		
Model		8	Std. Error	Beta	t	Sig.
1	(Constant)	2.958	1.036		2.856	.005
	Social Media Marketing	.332	.155	.204	2.133	.036
	E-Wom	.202	.108	.177	1.877	.06
	E-Service Quality	,430	.078	.536	5.502	.00

Source: Primary Data Processed (2022)

Based on Table 1.3, the multiple linear regression equation can be obtained as follows:

 $Y=2.958+0.332 \times 1+0.202 \times 2+0.430 \times 3$ 

From the multiple linear regression equation above, it can be interpreted as follows:

The constant (α) is 2.958, indicating that if Social Media Marketing (x1), Electronic Word Of Mouth (x2), E-Service Quality (x3) is 0 and there is no change, then the Purchase Decision will be worth 2.958.

The value of the variable x1, namely Social Media Marketing, has a regression coefficient of 0.332, meaning that if Social Media Marketing has increased once, it will increase the Purchase Decision by 0.332.

The value of the x2 variable, namely Electronic Word Of Mouth, has a regression coefficient of 0.202, meaning that if the Electronic Word Of Mouth has

increased once, it will increase the Purchase Decision by 0.202.

The value of the variable x3, namely E-Service Quality, has a regression coefficient of 0.430, meaning that if the E-Service Quality increases once, it will increase the Purchase Decision by 0.430.

Correlation Coefficient Analysis

**Table 1.4** 

Partial Correlation Coefficient Test Results Source: Primary Data Processed (2022)

Based on Table 1.4, the output of the correlation calculation results shows that:

The correlation between Social Media Marketing and Purchase Decisions has a value of 0.776 with a significance value of 0.000, which means that there is a strong correlation between Social Media Marketing and Purchase Decisions. Based on the results of this test, there is a positive relationship between Social Media Marketing and Purchasing Decisions. meaning that if Social Media Marketing increases, **Purchasing Decisions** will increase.

The correlation between Electronic Word Of Mouth and Purchase Decision has a value of 0.767 with a significance value of 0.000, which means there is a strong correlation between Electronic Word Of

Mouth and Purchase Decision. Based on the results of this test, there is a positive relationship between Electronic Word Of Mouth and Purchasing Decisions, meaning that if Electronic Word Of Mouth increases, Purchasing Decisions will increase.

The correlation between E-Service Quality and Purchase Decision has a value of 0.842 with a significance value of 0.000, which means that there is a very strong correlation

		Correlations			
		Keputusan Pembelian	Social Media Marketing	E-Wern	E-Service Quality
Keputusan Pembelian	Pearson Correlation	1	.776"	.767**	.842
	Sig. (3-tailed)		.000	.000	.000
	N	100	100	100	100
Social Media Marketing	Pearson Correlation	.776	1	.790"	.806
	Sig. (2-tailed)	.000		.000	.000
	N	100	100	100	100
E-Warn	Pearson Correlation	.767	.790	- 1	.800
	Sig. (24a/ket)	.000	.000		.000
	N	100	100	100	100
E-Service Quality	Pearson Correlation	.042	.906"	.000"	1
	Sig. (24ailed)	.000	.000	.000	
	N	100	100	100	100

between E-Service Quality and Purchase Decision. Based on the results of this test, there is a positive and significant relationship between E-Service Quality and Purchasing Decisions, meaning that if E-Service Quality increases, Purchasing Decisions will also increase and vice versa.

Table 1. 5
Simultaneous Correlation Coefficient
Test Results



Source: Primary data processed (2022)

Based on table 1.5 above, it is known that the magnitude of the relationship between Social Media Marketing, Electronic Word Of Mouth, E-Service Quality on Purchase Decisions as calculated by the correlation coefficient is 0.863, this indicates a very strong influence.

Analysis of the Coefficient of Determination

**Table 1. 6**Partial Determination Coefficient Value

Effect	r	$r^2$	%
Social Media	0,776	0,601	60, <mark>1%</mark>
Marketing			
Electronic	0,767	0,588	58,8%
Word Of Mouth			
E-Service	0,842	0,709	70,9%
Quality			

Source: Primary Data Processed (2022)

Based on Table 1.6 it can be explained that

Social Media Marketing has an influence of 60.1% on Purchase Decisions, the remaining 39.9% is influenced by other factors not examined.

Electronic word of mouth has an influence of 58.8% on purchasing decisions, the remaining 41.2% is influenced by other factors not examined.

E-Service Quality has an influence of 70.9% on Purchasing Decisions, the

remaining 29.1% is influenced by other factors not examined.

The discussion must be supported by relevant literature studies.

Table 1. 7
Simultaneous Determination
Coefficient Value

					Change Statistics				
Bodel	R	RSquee	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	æ	ďZ	Sig.F Change
1	.863*	.745	.737	2697	.715	93,410	3	96	.000

Source: Primary data processed (2022)

Based on table 1.7 it is known that the R-Square is 0.745 this

shows the influence of Social Media Marketing, Electronic Word Of Mouth, E-Service Quality on Purchasing Decisions is 74.5%, the remaining 25.5% is influenced by other factors not examined.

Hypothesis test

t test

**Table 1. 8**Partial Hypothesis Testing Results (t-test)

		Coef	ficients"			
		Unstandardize	d Coefficients	Standardized Coefficients		
Model		8	Std. Error	Beta	1	Sig.
1	(Constant)	2.958	1.036		2.856	.005
	Social Modia Marketing	.332	.155	.284	2.133	.035
	E-Worn	.202	.100	.177	1.877	.064
	E-Senice Quality	.430	.078	.536	5.502	.000

Source: Primary data processed (2022)

Based on Table 1.8, information is obtained that the results of partial hypothesis testing for the variables in the study are: Significant level ( $\alpha$ ) of 5%, and degrees of freedom df = 100-4-1 = 95 obtained t table value of 1.985. From the table above it shows that Social Media Marketing has a t count > t table (2.133 > 1.985) and with a Sig value of 0.035 <0.05, then H0 is rejected and Ha is accepted which means that partially there is influence from Social Media Marketing on Purchase Decisions .

Significant level ( $\alpha$ ) of 5%, and degrees of freedom df = 100-4-1 = 95 obtained t table value of 1.985. From the table above it shows that Electronic Word Of Mouth has a t count value < t table (1,877 < 1.985) and with a Sig value of 0.064 > 0.05, then H0 is accepted and Ha is rejected which means that part there is no influence from Electronic Word Of Mouth on Purchasing Decisions.

A significant level ( $\alpha$ ) of 5%, and degrees of freedom df = 100-4-1 = 95 obtained ttable value of 1.985. The table above it shows that E-Service Quality has a t count > t table (5,502 > 1.985) and with a Sig value of 0.000 <0.05, then H0 is rejected and Ha is accepted which means that partially there is influence from E-Service Quality on Purchasing Decisions.

F test

**Table 1. 9**Simultaneous Hypothesis
Testing (Test F)

		A	NOVA			
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1947,980	3	649.327	93.410	.000 <sup>b</sup>
	Residual	667.330	96	6.951		
	Total	2615.310	99			

Source: Primary data processed (2022)

Based on the calculation results in Table 1.9, it can be seen that the Fcount

of 93.410 with a p-value (sig) of 0.000. With  $\alpha$ =0.05 and degrees

freedom v1 = 95 and v2 = 3, then the Ftable value is 2,700. This means that Fcount is greater than Ftable (93.410 > 2.700) and a significance level of 0.000 <0.05, then H0 is rejected and Ha is accepted. Thus the research hypothesis which states that Social Media Marketing (X1), Electronic Word Of Mouth (X2), and E-Service Quality (X3) simultaneously have a significant influence on Purchase Decisions is statistically (significantly) accepted.

## CONCLUSION

Based on the results of research and discussion on "The Influence of Social Media Marketing, Electronic Word Of Mouth, and E-Service Quality on Purchase Decisions at Bukalapak Marketplace", the authors can draw the following conclusions:

Purchasing decisions in the Bukalapak Marketplace are in the unfavorable category. The highest indicator is shown by the statement "The Bukalapak Marketplace provides a complete, safe, easy and efficient choice of payment methods during a purchase transaction", while the lowest indicator is shown by the statement "The Bukalapak Marketplace always provides the right product when I need it".

Social Media Marketing on the Bukalapak Marketplace is in the unfavorable category. The highest indicator is shown by the statement "I can easily provide a review in the comments column of the @bukalapak Instagram account so that other users can see it", while the lowest indicator is shown by the statement "I can easily find people with the same interests in the Bukalapak community via Instagram".

Electronic Word Of Mouth the on Marketplace is in Bukalapak the unfavorable category. The highest indicator is shown by the statement "I saw the reviews, people's comments, Bukalapak ratings on Playstore before shopping at Bukalapak, while the lowest indicator is shown by the statement "Information on products and services provided by Bukalapak made me interested in shopping."

E-Service Quality in the Bukalapak Marketplace is in the unfavorable category. The highest indicator is shown by the statement "Bukalapak can protect personal data information so that it makes me feel safe" "I can easily contact customer service when there are problems".

Social Media Marketing has a significant effect on Purchase Decisions at the Bukalapak Marketplace, this statement is evidenced by the results of hypothesis testing showing the t count > t table, and with a Sig value smaller than the category. The results of testing the correlation between Social Media Marketing and Purchase Decisions have a strong positive correlation value between Social Media Marketing and Purchase Decisions. The results of the regression test state that the contribution of Social Media Marketing to Purchasing Decisions has a contribution if Social Media Marketing has increased, meaning that if Social Media Marketing has increased once, it will increase Purchasing Decisions. The results of the Determination Coefficient Test of Social Media Marketing have an influence of 60.1% on Purchase Decisions, the remaining 39.9% influenced by other factors not examined.

Electronic Word Of Mouth has no significant effect on Purchase Decisions at

Bukalapak Marketplace, this statement is proven by the results of hypothesis testing showing t count <t table and with a Sig value greater than the category. The results testing the correlation between Electronic Word Of Mouth and Purchase Decisions have a strong positive correlation value between Electronic Word Of Mouth and Purchase Decisions. The results of the regression test stated that the contribution of Electronic Word Of Mouth to Purchasing Decisions had a contribution of Electronic Word Of Mouth which had increased, meaning that if Electronic Word Of Mouth had increased once, it would increase Purchasing Decisions by. The test results for the Coefficient of Determination of Electronic Word of Mouth have an influence of 58.8% on Purchase Decisions, the remaining 41.2% are influenced by other factors not examined.

E-Service Quality has a significant effect on Purchase Decisions at the Bukalapak Marketplace, this statement is proven by the results of hypothesis testing showing the t count > t table and the Sig value, which is smaller than the category. The results of the correlation test between E-Service Quality and Purchasing Decisions have a very strong correlation value between E-Service Quality and Purchasing Decisions. The results of the regression test state that the

contribution of E-Service Quality to Purchasing Decisions has a contribution, meaning that if E-Service Quality has increased once, it will increase Purchasing Decisions by as much as E-Service Quality test results have an effect of 70.9% on the remaining Purchasing Decisions 29 .1% is influenced by other factors not examined.

Based on the results of simultaneous hypothesis testing (F test), it is obtained that Fcount is greater than Ftable with a significance level smaller than the category. The results of the correlation test between Social Media Marketing, Electronic Word Of Mouth, and E-Service Quality with Purchase Decisions simultaneously have a strong value meaning that the influence of Social Media Marketing, Electronic Word Of Mouth, and E-Service Quality on purchasing decisions has a relationship of 74, 5%, the remaining 25.5% is influenced by other factors not examined. Based on this interpretation, it appears simultaneously Social Media Marketing, Electronic Word Of Mouth, and E-Service Quality have a strong relationship with Purchase Decisions.

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