ANALYSIS OF VARIABLES INFLUENCING CONSUMER PURCHASE INTENTION ON TOKOPEDIA

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ABSTRACT

With the progression of time and technology, society is increasingly abandoning traditional methods and shifting towards online transactions. This change brings consequences in how products are promoted and how consumers are convinced to make purchases. Therefore, this research aims to identify potential variables that may influence consumer purchase intention on the Tokopedia e-commerce platform. The variables under investigation include e-WOM (electronic Word-of-Mouth), online reviews, brand familiarity, and trustworthiness. The analysis method employed is Partial Least Squares (PLS). Research data was obtained through a survey involving over 300 active Tokopedia users. The analysis results demonstrate that brand familiarity, e-WOM, and online reviews have a positive and significant impact on consumer purchase intention. Additionally, it was found that trustworthiness acts as a mediator between brand familiarity, e-WOM, online reviews, and consumer purchase intention. This study provides a significant contribution to the understanding of factors influencing consumer purchase intention on the e-commerce platform, specifically Tokopedia. These findings can serve as a basis for developing more effective marketing strategies to enhance consumer purchase intention and trust in Tokopedia as an e-commerce platform. The practical implications of this research emphasize the importance of considering brand familiarity, e-WOM, online reviews, and trustworthiness in efforts to increase consumer purchase intention on Tokopedia.

Keywords: Brand Familiarity, Online Reviews, Trustworthiness, E-WoM, Purchase Intention.

1. PREFACE

Introduction

Advancements in technology have facilitated easy access to information, including buying and selling activities. Social media, initially used for expression and information sharing, has transformed into a popular digital marketing tool. Entrepreneurs, both small-scale and large-scale, now utilize social media as an online marketing platform to promote their brands, products, and services [1]. This shift to online platforms, known as e-commerce, has expanded business opportunities beyond traditional markets. According to Romindo, e-commerce involves the exchange of goods, services, and information through electronic systems like the internet [2]. This transformation in trading practices has significantly impacted how consumers are exposed to promotional efforts. The digital era and the growth of e-commerce have necessitated understanding the factors influencing consumer purchase intentions. The employed methods, techniques, and types of promotions play a crucial role in sales and consumer awareness of the offered products. Consequently, this study aims to investigate the factors that influence purchase intention.

In a previous study conducted by [3], it was revealed that e-WOM, Online Customer Reviews, and Information Quality influence consumer and potential consumer purchase intentions. This research showed that these three variables account for 46% of the influence
on consumer purchase intentions, while the remaining 54% is unknown. The results of this study have prompted researchers to explore other variables that can fill the existing research gap. Based on [4], brand familiarity is one of the variables that significantly and positively affect purchase intention. Meanwhile, [5], [6], and [7] have shown the variables that influence trust and its impact on purchase intention. In this study, the researcher will adopt trust and brand familiarity to examine whether they have an impact on the existing research gap.

Consumers' purchase intentions are influenced by their assessments of products and services, which are shaped by their experiences and the information available to them [8]; [9]. Electronic Word of Mouth (e-WOM) and online reviews play significant roles in influencing consumer behavior and purchase intentions [10]. e-WOM involves information exchange and decision-making support through the internet, while online reviews provide valuable feedback from consumers about the products or services they have purchased [11]. Brand familiarity, which is related to the amount of information processing about a brand, and trustworthiness, which refers to the dependability and credibility of individuals or entities, also impact consumer behavior and purchase intentions [12]. Trustworthiness is considered an important moral value that establishes a reliable and truthful relationship [13].

Problem Formulation

Businesses can maximize the impact of research findings by focusing on three key areas: improving online reputation and word-of-mouth, encouraging positive online reviews, and establishing brand familiarity. They can achieve this by delivering exceptional customer experiences, engaging with customers on social media, managing online reviews actively, addressing negative feedback promptly, and investing in consistent branding and memorable experiences. Trust-building initiatives, transparent communication, and fulfilling promises are also important. To optimize marketing and foster long-term customer loyalty, continuous monitoring of consumer preferences, adapting strategies to market trends, and evaluating the impact of these efforts are crucial.

2. RESEARCH METHOD

This study used a quantitative research method and collected data through questionnaires from over 300 respondents aged 15 and above. The analysis focused on numerical data using Likert scale measurements and employed statistical analysis methods. The study was conducted between 2022 and 2023, and it utilized the Partial Least Square (PLS) method, which is robust and does not rely on many assumptions [14]. PLS analysis techniques were employed using PLS software, which offers advantages in handling non-normally distributed multivariate data and flexibility with sample size. The study involved 301 respondents, primarily from the Jakarta area, with experience in making online purchases using Tokopedia.

3. RESULT AND DISCUSSION

E-WoM

According to Barnes & Jacobsen, with the shift to online communication, there is a wealth of information that influences consumer choices and company sales [15]. Social networks play a vital role in this change, where Word of Mouth (WoM) conversations shape product
promotion through personal experiences [10]; [16]. E-WoM, virtual communication about products or services through social media, has a strong influence on public perception and expectations [17]. Positive or negative statements by customers online contribute to the power of E-WoM.

**Online Review**

Consumers rely on the opinions and experiences shared in online reviews to make informed decisions. However, the abundance of online reviews poses challenges, such as the presence of fake reviews that can manipulate perceptions [18]. Despite these challenges, online reviews serve as a valuable resource for consumers who lack direct experience with a product.

**Brand Familiarity**

Brand familiarity refers to consumers' direct and indirect experience with a brand, including brand awareness and image [19]. Highly familiar brands may lead to negative perceptions of positioning attributes, while unfamiliar brands leave consumers with limited knowledge of the brand's category attributes. Brand attachment partially mediates the relationship between brand familiarity and customers' perception of fit with the logo and brand, especially during logo changes [20].

**Trustworthiness**

Trustworthiness is a source of credibility that impacts consumers' perception of expertise, as explained by [21]. Lemanski and Lee's research shows that perceived expertise and trustworthiness have a positive influence on consumers' attitudes toward products. [22] defines trustworthiness characteristics such as safety, security, reliability, resilience, and privacy.

**Purchase Intention**

Purchase intention is a vital factor for marketing managers in predicting future sales and influencing consumer purchasing behavior. Belch & Belch, as cited in [23], define purchase intention as the inclination of consumers to buy a brand based on the alignment between their purchase motives and the attributes or characteristics of the brand under consideration.

**Study on the Relationship Between E-WoM and Trustworthiness**

Trustworthiness is crucial in e-commerce for companies to thrive and withstand competition [24]. It helps alleviate concerns and uncertainties associated with transactions. Positive comments on social media can enhance trustworthiness by reducing perceived risks for potential customers who haven't made direct purchases [25].

H1: E-WoM significantly influences trustworthiness.

**Study on the Relationship Between Online Reviews and Trustworthiness**

According to research by [26], online customer reviews have a positive and significant influence on trustworthiness. The more positive reviews given by customers, the higher the popularity and quality of the product, thus increasing trustworthiness towards the product.
H2: Online Reviews significantly influence trustworthiness.

**Study on the Relationship Between Brand Familiarity and Trustworthiness**

Brand familiarity influences consumers' perception of a brand's competence, predictability, and reputation, which in turn affects their expectations of positive brand behavior [27]. Trustworthiness involves consumers' acceptance of a brand based on its virtues, competence, and integrity [28]. Brand familiarity is developed through experiences and knowledge gained from sources like advertising, seller interactions, word-of-mouth, and previous usage. It allows consumers to recognize and associate a brand with a known product category. Overall, brand familiarity plays a significant role in shaping consumer trust by providing experiences and knowledge that influence their expectations and perceptions of the brand's behavior.

H3: Brand Familiarity significantly influences trustworthiness.

**Study on the Relationship Between E-WOM and Purchase Intention**

E-WOM (electronic word-of-mouth) has a positive and significant impact on purchase intention, as suggested by the research of [29]. This study highlights the importance of consumer perception of products through social media and online platforms in enhancing purchase interest based on product information and value. E-WOM plays a crucial role in influencing consumer attitudes and purchase intention. Additional support for the positive influence of E-WOM on purchase intention comes from the research of [30], which shows that consumers provide product recommendations through various networking sites, resulting in direct and indirect effects on purchase intention.

H4: E-WOM significantly influences the purchase intention of the public.

**Study on the Relationship Between Online Reviews and Purchase Intention**

Reviews play a significant role in influencing an individual's purchase decision. Research shows that the number of reviews can serve as an indicator of a product's popularity or value, which can influence the desire to make a purchase [31]. However, it is important to note that a high number of reviews and ratings does not always guarantee that customers will buy the product. There are many other factors that also influence customers' purchase decisions.

H5: Online reviews significantly influence the purchase intention of the public.

**Study on the Relationship Between Brand Familiarity and Purchase Intention**

Brands that have a high level of familiarity tend to receive higher preference levels among consumers and retailers. In other words, well-known brands have an advantage as they are more liked compared to lesser-known brands [32]. Brand familiarity positively influences the intention to purchase a brand through a high level of trust in the brand. Additionally, familiarity can guide consumers' attention towards specific brands. [33] found that trust is positively related to purchase intention and negatively related to information search.

H6: Brand familiarity significantly influences the purchase intention of the public.

**Study on the Relationship Between Trust and Purchase Intention**

Research conducted by [34] and [35] indicates that trust has a positive and significant influence on purchase intention. Trust is influenced by factors such as third-party trust and cultural environment, and it influences the attractiveness of products and websites for
consumer purchase intention. These findings indicate that consumer trust in a company's products plays an important role in influencing purchase decisions
H7: Trustworthiness significantly influences purchase intention.

Study on the Relationship Between E-WoM and Purchase Intention through Trust

E-WoM, also known as electronic Word of Mouth, has a significant influence on purchase intention through the factor of trustworthiness or the level of trust in the information source providing recommendations or reviews of products. When consumers receive positive reviews or recommendations about a product through E-WoM, their trust in the product and brand increases [36]. This trust then influences purchase intention, with consumers being more likely to buy products based on their trust in the information obtained through E-WoM. Therefore, trustworthiness becomes an important factor in connecting E-WoM with consumers' purchase intention.
H8: E-WoM significantly influences purchase intention through trustworthiness.

Study on the Relationship Between Online Reviews and Purchase Intention through Trust

Online reviews have a significant influence on purchase intention through the factor of trust or the level of trust given to those reviews. When consumers read positive online reviews about a product, their trust in that product increases. Online reviews that are perceived as credible and trustworthy by consumers will affect their purchase intention [37]. Trustworthiness plays a crucial role in connecting online reviews with purchase intention. Consumers are more likely to buy products based on the trust they have in online reviews that are considered trustworthy. Therefore, trustworthiness plays an important role in influencing purchase intention through the impact of online reviews.
H9: Online reviews significantly influence purchase intention through trustworthiness.

Study on the Relationship Between Brand Familiarity and Purchase Intention through Trustworthiness

High brand familiarity has a significant impact on purchase intention through the trustworthiness given to the brand [38]. When consumers have a high level of brand familiarity, they tend to feel more confident in the brand. High brand familiarity creates the perception that the brand is trustworthy and meets consumer expectations. As a result, consumer trust in the brand increases, which influences their purchase intention. Consumers are more likely to purchase products from a brand they perceive as trustworthy. Therefore, trustworthiness plays a crucial role in connecting brand familiarity with purchase intention.
H10: Brand familiarity significantly influences purchase intention through trustworthiness.

This study was conducted using the research framework presented in Figure 1, along with the presentation of hypotheses related to the research framework:
The data obtained from the conducted testing shows that each variable has an Average Variance Extracted (AVE) value above 0.5, indicating the validity of all the variables used. Convergent validity was assessed by examining the loading factors of each indicator on its respective construct, with a threshold of 0.7 used for confirmatory research. Based on the estimation results of the Partial Least Square (PLS) SEM model using the algorithm technique, it was found that out of the 8 indicators measuring E-Wom, one indicator (EW5) was invalid as it had a loading factor below 0.7. Similarly, in the Trustworthiness construct, two indicators (TR7 and TR9) were found to be invalid due to loading factors below 0.7. Therefore, these three indicators needed to be excluded from the model, and the model was re-estimated with the remaining indicators.

The reliability of constructs can be assessed by examining the values of Cronbach's Alpha and Composite Reliability for each construct. The recommended values for Composite Reliability and Cronbach’s Alpha are above 0.7. However, in developmental research, considering the low threshold of the loading factor (0.5) used, low values of Composite Reliability and Cronbach’s Alpha may still be acceptable as long as the requirements for convergent validity and discriminant validity have been met.

Table 1. Validity Testing Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>AVE</th>
<th>Convergent Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Familiarity</td>
<td>0.783</td>
<td>Valid</td>
</tr>
<tr>
<td>E-WoM</td>
<td>0.728</td>
<td>Valid</td>
</tr>
<tr>
<td>Online Review</td>
<td>0.622</td>
<td>Valid</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.860</td>
<td>Valid</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>0.658</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Data Processing Results, 2023

Table 2. Reliability Testing Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Familiarity</td>
<td>0.954</td>
<td>0.962</td>
</tr>
<tr>
<td>E-WoM</td>
<td>0.938</td>
<td>0.949</td>
</tr>
<tr>
<td>Online Review</td>
<td>0.945</td>
<td>0.952</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.973</td>
<td>0.977</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>0.913</td>
<td>0.931</td>
</tr>
</tbody>
</table>

Source: Data Processing Results, 2023
Testing the goodness of fit of the model is conducted to ensure that the constructed PLS model fits the analyzed data and can explain the actual population conditions. The goodness of fit of the PLS model can be observed through the values of R Square and Q Square. A value of R Square > 0.67 indicates that the PLS model is strong in predicting the endogenous variables, R Square 0.33 - 0.67 indicates a moderately strong model, and R Square 0.19 - 0.33 indicates a weak model in predicting the endogenous variables [39].

### Table 3. R Square Testing Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>PI</td>
<td>0.473</td>
</tr>
<tr>
<td>TR</td>
<td>0.258</td>
</tr>
</tbody>
</table>

Source: Data Processing Results, 2023

Q Square indicates the predictive relevance of the model, where a value of Q Square between 0.02 and 0.15 indicates that the model has low predictive relevance, Q Square between 0.15 and 0.35 indicates moderate predictive relevance, and Q Square > 0.35 indicates a high predictive relevance of the model [39].

Based on Table 4, the obtained results indicate that the Q Square value for purchase intention falls within the range of a large category, and for trustworthiness, it falls within the range of a small category. Therefore, it can be concluded that the model has a sufficiently good predictive relevance.

### Table 4. Q Square Model

<table>
<thead>
<tr>
<th></th>
<th>SSO</th>
<th>SSE</th>
<th>Q² (=1-SSE/SSO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFam</td>
<td>2,107.000</td>
<td>2,107.000</td>
<td></td>
</tr>
<tr>
<td>E-Wom</td>
<td>2,107.000</td>
<td>2,107.000</td>
<td></td>
</tr>
<tr>
<td>OR</td>
<td>3,612.000</td>
<td>3,612.000</td>
<td></td>
</tr>
<tr>
<td>PI</td>
<td>2,107.000</td>
<td>1,257.742</td>
<td>0.403</td>
</tr>
<tr>
<td>TR</td>
<td>2,107.000</td>
<td>1,756.419</td>
<td>0.166</td>
</tr>
</tbody>
</table>

Source: Data Processing Results, 2023

### Direct Effect Testing

Direct effect refers to the direct influence of an exogenous variable on an endogenous variable. The significance and direction of the direct effect can be determined by the p-value, t-statistic, and path coefficient connecting the endogenous variable to the exogenous variable. If the obtained p-value is < 0.05 and the t-statistic is > 1.96 (two-tailed t-value, α 5%), it can be concluded that the exogenous variable has a significant effect on the endogenous variable, and the direction of the effect is consistent with the sign of the path coefficient. On the other hand, if the obtained p-value is > 0.05 and the t-statistic is < 1.96 (two-tailed t-value, α 5%), it can be concluded that the exogenous variable does not have a significant effect on the endogenous variable [40].

Brand familiarity has a positive and significant influence on both purchase intention and trustworthiness. The higher the level of brand familiarity, the higher the purchase intention and consumer trust in the brand. Similarly, electronic word-of-mouth (E-WoM) and online reviews also have positive and significant effects on purchase intention and trustworthiness. Higher levels of E-WoM and online reviews result in increased purchase intention and
trustworthiness. These findings highlight the importance of brand familiarity, E-WoM, and online reviews in shaping consumer behavior and perception.

Table 5. Results of Direct Effect Testing

<table>
<thead>
<tr>
<th>Variable</th>
<th>Original Sample</th>
<th>Sample Mean</th>
<th>Standard Deviation</th>
<th>t-Statistics</th>
<th>p-Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFam → PI</td>
<td>0.347</td>
<td>0.347</td>
<td>0.047</td>
<td>7.411</td>
<td>0.000</td>
</tr>
<tr>
<td>BFam → TR</td>
<td>0.100</td>
<td>0.101</td>
<td>0.053</td>
<td>1.875</td>
<td>0.031</td>
</tr>
<tr>
<td>E-Wom → PI</td>
<td>0.090</td>
<td>0.089</td>
<td>0.048</td>
<td>1.878</td>
<td>0.031</td>
</tr>
<tr>
<td>E-Wom → TR</td>
<td>0.194</td>
<td>0.195</td>
<td>0.050</td>
<td>3.900</td>
<td>0.000</td>
</tr>
<tr>
<td>OR → PI</td>
<td>0.218</td>
<td>0.219</td>
<td>0.052</td>
<td>4.186</td>
<td>0.000</td>
</tr>
<tr>
<td>OR → TR</td>
<td>0.310</td>
<td>0.311</td>
<td>0.057</td>
<td>5.391</td>
<td>0.000</td>
</tr>
<tr>
<td>TR → PI</td>
<td>0.227</td>
<td>0.228</td>
<td>0.050</td>
<td>4.514</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Data Processing Results, 2023

Mediation Testing

Table 6. Results of Indirect Effect Testing

| Variable          | Original Sample (O) | T Statistics (|O/STDEV|) | p-Values |
|-------------------|---------------------|----------------|----------|
| BFam → TR → PI    | 0.023               | 1.784          | 0.038    |
| E-Wom → TR → PI   | 0.044               | 2.957          | 0.002    |
| OR → TR → PI      | 0.070               | 3.303          | 0.001    |

Source: Data Processing Results, 2023

This study reveals that trustworthiness acts as a mediator between brand familiarity, E-WoM, online reviews, and purchase intention. The results show that brand familiarity indirectly influences purchase intention through trustworthiness, as indicated by a p-value of 0.038 and a t-statistic of 1.784. Similarly, E-WoM and online reviews also indirectly influence purchase intention through trustworthiness, supported by p-values of 0.002 and 0.001, and t-statistics of 2.957 and 3.303, respectively. These findings suggest that trustworthiness plays a crucial role in mediating the relationships between brand familiarity, E-WoM, online reviews, and purchase intention in this PLS model.

4. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Based on the research findings, it can be concluded that E-WoM, online reviews, and brand familiarity have a positive and significant influence on trustworthiness. They play important roles in shaping consumers' perceptions of trustworthiness. Similarly, E-WoM, online reviews, brand familiarity, and trustworthiness have a positive and significant influence on purchase intention. They are significant factors that affect consumers' level of purchase intention. Furthermore, E-WoM, online reviews, and brand familiarity indirectly influence purchase intention through trustworthiness. They contribute to higher levels of purchase intention when accompanied by higher levels of trustworthiness. In summary, E-WoM, online reviews, brand familiarity, and trustworthiness are all significant factors in influencing consumer trustworthiness and purchase intention.
Recommendations

To maximize the impact of research findings, businesses should focus on three key areas: enhancing online reputation and word-of-mouth (E-WoM), fostering positive online reviews, and building brand familiarity. Firstly, prioritize strategies that improve online reputation and encourage positive word-of-mouth by providing exceptional customer experiences and engaging with customers on social media. Secondly, actively manage and promote positive online reviews while addressing negative feedback promptly to enhance trustworthiness and influence purchase decisions. Lastly, invest in building brand familiarity through consistent branding and memorable experiences to increase consumer trust and stimulate purchase intention.

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