

Investigating The Role of viral marketing, online consumer reviews and prices on online shop purchasing decisions

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Abstract - The purpose of this study is to analyze the relationship between Viral marketing and Purchasing Decisions, Online Consumer Reviews on Purchasing Decisions, Price and Purchase Decisions. The research method is a quantitative survey. The research data was obtained by distributing online questionnaires to 560 onlineshop consumers. Data analysis used structural equation modeling (SEM) with SmartPLS 3.0 software tools. The stages of data analysis are validity, reliability and significance tests. The sampling technique used is non-probability sampling. The questionnaire used in this study uses the Google form, which will be distributed to respondents. The measurement method for this questionnaire uses a Likert scale of 5, namely Strongly Disagree (STS), (2) Answers Disagree (TS), (3) Neutral Answers (N), (4) Answers Agree (S), Strongly Agree (SS).). The results of this study are Viral marketing has a positive and not significant effect on Purchasing Decisions, Online Consumer Reviews has a positive and significant effect on Purchasing Decisions, Price has a positive and significant effect on Purchase Decisions.

Keywords: viral marketing, online consumer reviews , prices , online shop, purchasing decisions

I. INTRODUCTION

According to Annas (2023) In this digital era, there are limitations for people to go out of their homes during the pandemic, causing sales and purchases with E-Commerce to develop rapidly. E-commerce has the meaning of buying, selling and marketing goods and services via electronic media. Shopee is one of the most frequented marketplaces due to increasing online shopping habits. An example of a product category that has developed during a pandemic is beauty products and health products, especially skincare. It has increased due to awareness of beauty care and changes in lifestyle during the pandemic. One of the most popular marketing strategies is viral marketing. According to Jasin (2022); Purwanto et al. (2021) Viral marketing is carried out by spreading messages about a product electronically on social media with the aim of influencing other people. Then the product review feature can help customers make their choices, this is based on limitations in buying products online, customers cannot see the product directly. The main determinant of purchasing decisions is price. Low prices can make customers doubt the product and high prices will make customers switch to other stores, so determining the right price is an important strategy for the company. The definition of viral marketing according to Fahmi et al. (2022);Jasin (2022);Purwanto et al. (2021), namely, a concept of communication and distribution that is customer oriented and aims to send messages from products marketed using digital media via electronic or internet messages to potential customers within their social sphere and influence potential customers to send similar product messages.

According to Purwanto et al. (2021) The main difference between online shopping and in-store purchases is the customer's ability to evaluate a product so that it can generate a desire to purchase a decision. In online shopping, prospective buyers cannot check the items they want to buy directly and are usually only assisted by pictures or descriptions provided by the seller, whereas in retail stores we can see or touch the goods physically. In addition to online shopping, the payment process is also an obstacle because most online shopping requires us to transfer a number of funds before the goods can be delivered to the house. For this reason, it is necessary to have high trust in online so that we have the courage to make payments in this way. Another method of payment is usually by using a credit card.

Based on these problems, there are many online shopping marketing strategies that might be a major consideration for consumers and potential customers to transact online. One interesting feature is Online consumer reviews (OCR). The online consumer reviews feature is a consumer review that has purchased products at online stores, so that other consumers can find information about the product they want, whereas according to Mukherjee et al. (2023);Nurniati et al. (2023) define online consumer reviews as a source of

consumer information about products and brands. In modern marketing, there is a marketing strategy, namely viral marketing. According to Jasin et al. (2022); Nurniati et al. (2023) Viral marketing begins with the habits of everyday life. If we feel something positive or negative, we will pass it on to other people. The reason is that other people at least also feel it. That encourages consumers to share company-developed products and services or audio, video and written information to others online. One of the important factors that attract customers to make a purchase decision in online shopping is price. Today's consumers are very sensitive to the price of a product. According to Mukherjee et al. (2023); Nurniati et al. (2023) price is the total value intended for consumers for the benefits they obtain or use for products or services. According to Mukaromah et al. (2022); Mukherjee et al. (2023) Purchasing decision is a process where consumers know their problems, find information about certain products or brands and evaluate how well each alternative is in solving the problem, which then leads to purchasing decisions.

II. METHOD

The research method is a quantitative survey, the research data was obtained by distributing online questionnaires to 560 online shop consumers. Data analysis used structural equation modeling (SEM) with SmartPLS 3.0 software tools. The stages of data analysis are validity, reliability and significance tests. The sampling technique used is non-probability sampling. The questionnaire used in this study uses the Google form, which will be distributed to respondents. The measurement method for this questionnaire uses a Likert scale of 5, namely Strongly Disagree (STS), (2) Answers Disagree (TS), (3) Neutral Answers (N), (4) Answers Agree (S), Strongly Agree (SS).).

The research hypothesis is:

H1: Viral marketing has a positive and significant effect on purchasing decisions

H2: Online customer reviews have a positive and significant effect on purchasing decisions

H3: Price has a positive and significant effect on purchasing decisions

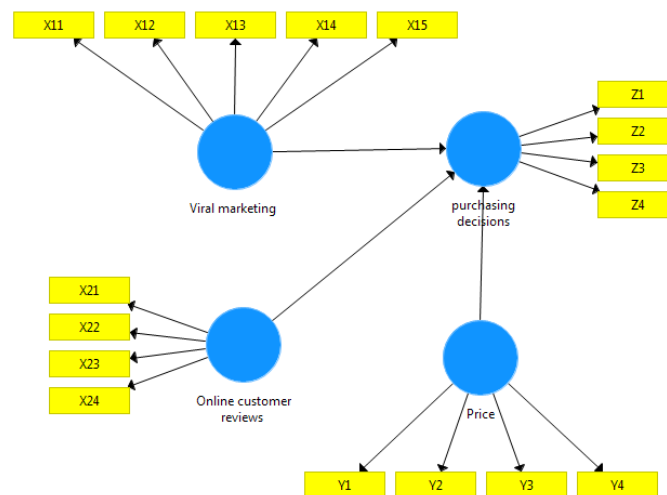


Fig 1 Research Model

III.RESULT AND DISCUSSION

Validity and reliability testing

This indicates that the indicators in the instrument are a unit of measuring instrument that provides a measure of the same construct and at the same time can provide predictions of what should be predicted.

Table 1. Reliability Testing

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Viral marketing	0.814	0.827	0.743	0.665
Online customer reviews	0.890	0.858	0.817	0.665
Price	0.808	0.976	0.865	0.606
purchasing decisions	0.818	0.893	0.818	0.636

Table 1. shows the results of the reliability test with the Cronbach's alpha value for each variable, which can be said to be valid or reliable. A variable can be said to be valid or reliable if the Cronbach's alpha value is ≥ 0.6 . It can be concluded that the answers given by each respondent to the statements in the chain transformational leadership variable consistent supply chain innovation performance and satisfaction with supply chain results helps each indicator to measure the concept it measures.

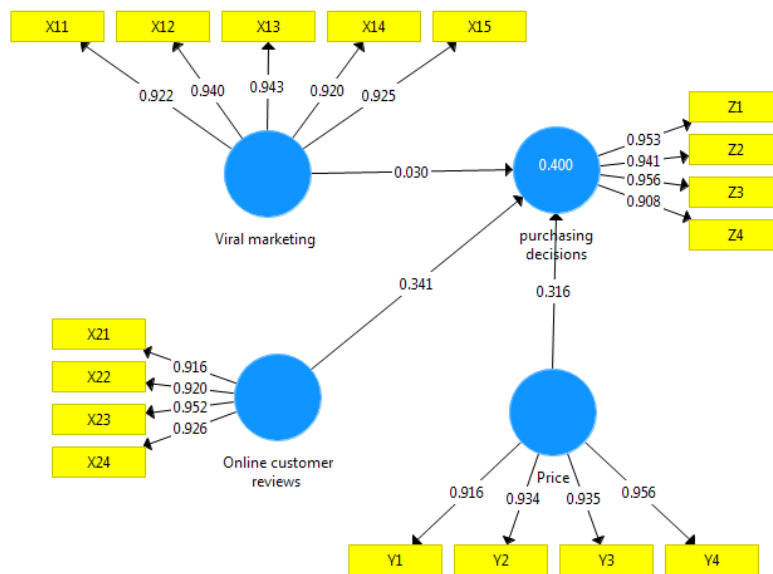


Fig 1. Validity and reliability testing

Hypothesis Testing

Hypothesis testing in this study was carried out by looking at the T-Statistics value and the P-Values value. The research hypothesis can be declared accepted if the P-Values < 0.05

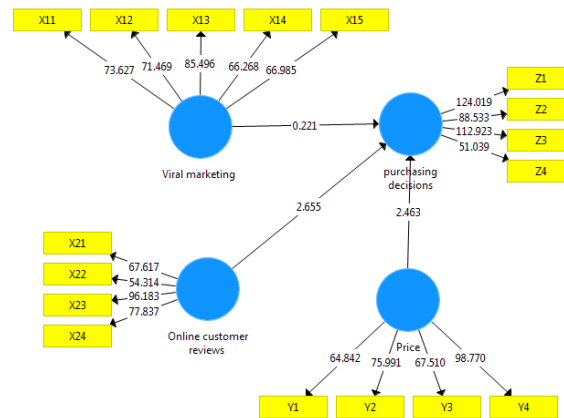


Fig 3. Hypothesis Testing

Hypothesis Testing

Hypothesis testing in this study was carried out by looking at the T-Statistics value and the P-Values value. The research hypothesis can be declared accepted if the P-Values <0.05

Table 3. Hypothesis testing

Hypothesis	T Statistics	P Values	Result
Viral marketing on purchasing decisions	0.221	0.231	Not Supported
Online customer reviews on purchasing decisions	2.655	0.000	Supported
Price on purchasing decisions	2.453	0.000	Supported

The Effect of Viral Marketing on Purchasing Decisions

Viral marketing affects purchasing decisions in deciding to buy products at online shop shopping due to several things, namely being active on social media, having active chat groups on social media, other consumers' recommendations for online shop shopping, the intensity of seeing Shopee advertisements found on social media . The attractiveness of the information displayed on Shopee advertisements in the media social media, and spreading reviews about the Shop on social media. Consumers will consider something that is viral at the moment and is being widely discussed by the general public. Viral marketing can affect purchase decision, one of the things that makes it viral is the activity on social media. One of the many consumers who are active in social media can facilitate the dissemination of information, facilitate communication and so on. This is evidenced by the results of the respondents' answers to the first statement item in which the majority of respondents considered being active in social media in making online shopping so consumers can decide to buy. According to Jasin et al. (2022); Kurniawan (2022); Mukaromah et al. (2022);Mukherjee et al.. (2023);Nurniati et al. (2023) which states that there is a direct and significant influence between the level of activity of social network users and consumptive behavior in online shopping. Viral marketing can affect purchase decisions, one of the things that makes it viral is having active chat groups on social media. Consumers want to get information about the products purchased and where the products were purchased with active chat groups on social media. And with an active chat group, consumers will find it easier to decide on a purchase. This is evidenced by the results of the respondents' answers to the second statement item in which the majority of respondents considered being active in social media in making Shopee online shopping viral so that consumers could decide to buy.

Influence of Online Customer Reviews on Purchasing Decisions

online consumer reviews have an influence on purchasing decisions due to several factors, namely in deciding to purchase a product, the contents of other consumer reviews that influence product selection, the suitability of product information on consumer knowledge, the suitability of reviews given by fellow consumers, product ratings given by consumer post-purchase, consideration of recent reviews given by consumers on a product.

Effect of Price on Purchasing Decisions

Prices affect purchasing decisions in deciding to buy products at Shopee online shopping due to several things, namely affordable prices for consumers, cheaper prices than other online shopping, price compatibility with product quality and prices including shipping costs to consumers' cities. Consumers will consider prices on Shopee products that are affordable for consumers. Consumers are more interested in products that match consumer purchasing power. If the price of the product is according to what the consumer wants, the consumer will easily decide to purchase or shop online at Shopee. This is evidenced by the results of the respondents' answers to the first statement item in which the majority of respondents consider product prices at Shopee affordable. According to Purwanto (2022); Razali et al. (2023); Syahril et al. (2022); Saputra et al. (2022) The next consideration for consumers is lower prices than other online purchases. Consumers will pay attention to one online shopping and other online shopping, where consumers will choose online shopping that has attractive and affordable prices for consumers. If the consumer has determine or get online shopping that has more affordable prices and has more attractive price variants for consumers then consumers will choose the online shopping and will decide to purchase the online shopping.

Other consumer recommendations for Shop online shopping are considerations for consumers to make purchasing decisions. Consumers will really consider and need recommendations from other consumers, whether from family, friends, friends or other consumers who have purchased the same product that consumers want. Other consumer recommendations can help determine the choices consumers want. This is evidenced by the results of the respondents' answers to the third statement item where the majority of respondents consider the recommendations of other consumers so that consumers can decide to buy. The next consideration in deciding to buy is the intensity of viewing advertisements contained in social media. Consumers will first look for information about the product they want to buy before deciding to buy, consumers will be greatly helped if the advertisements that appear frequently provide the information consumers want. According to Nursalim (2023); Novitasari (2022) The intensity of viewing advertisements on social media makes consumers more interested in making decisions purchase. This is evidenced by the results of the respondents' answers to the fourth statement item in which the majority of respondents consider the intensity of viewing Shop advertisements found on social media in making Shopee online shopping viral so that consumers can decide to buy. The attractiveness of the information displayed in Shop advertisements on social media is the next thing consumers consider when deciding to buy. Pre-purchase information is needed by consumers, if the information is packaged in an attractive way it will make consumers more interested in reading the advertisement. Not all advertisements make consumers just look at them, especially to read them, consumers will ignore advertisements that consumers find unattractive to see. Therefore, the delivery of information displayed on social media is very important to make consumers interested and will ultimately make a purchase decision. This is evidenced by the results of the respondents' answers to the fifth statement item in which the majority of respondents considered the attractiveness of the information displayed on Shopee advertisements on social media in making Shopee online shopping viral so that consumers can decide to buy. The next thing consumers consider when deciding to buy is the distribution of reviews about Shopee on social media. Reviews traces left by other consumers after the purchase is increasingly convincing for consumers who will decide to buy because of the increasing distribution of reviews, there are also many consumers who have already purchased products at online shopping, not only that consumers can also see whether they are satisfied or dissatisfied with the products they have purchased, so that The distribution of reviews about the product will be a consideration for consumers to make purchasing decisions. This is evidenced by the results of the respondents' answers to the sixth statement item in which the majority of respondents consider the distribution of reviews about the Shop on social media in making Shopee online shopping viral so that consumers can make a purchase decision.

According to Jasin et al. (2022);;Nurniati et al. (2023) which states that the main reason for consumers to shop online is to get lower prices compared to other online shopping. This means that consumers want to save money to buy the desired product because consumers can comparefeel free to buy at Shopee online shopping. This can also be proven by the results of the respondents' answers to the second statement item where the majority of respondents consider the price of products at Shopee to be cheaper compared to other online shopping. The next consideration for consumers so that consumers can make purchasing decisions is the consideration of suitability of price with product quality. Where consumers are very sensitive about price, consumers are very conscientious about the price that will be paid for the desired product. Therefore, the quality of the product must be in accordance with the price paid by consumers to pelapak. A price that is too low can reflect its quality, while a high price will be considered by consumers. Therefore, the price is in accordance with the quality of the product influence consumer purchasing decisions. This is evidenced by the results of the respondents' answers to the third statement item, the majority of which consider the price of Shopee products according to their quality. The next consideration for consumers to decide to buy is the price of the product including shipping costs can decide on purchases at Shopee online shopping. Consumers buy products at Shopee online shopping because they want

to save money, so consumers choose products that include shipping costs, this makes consumers no longer need to pay additional costs for shipping the product to be purchased. Not all sellers in Shopee online shopping provide prices that include fees

IV. CONCLUSION

Based on the results of research on the effect of Viral marketing, online consumer reviews and prices on purchasing decisions, it can be concluded that: Viral marketing has not significant effect on purchasing decisions. Online consumer reviews have a significant effect on purchasing decisions. Price has a significant effect on purchasing decisions. Viral marketing, online consumer reviews and price have a significant influence. All three have a joint influence on Aran's purchasing decision. Based on the discussion of the results of data analysis regarding the influence of viral marketing, online consumer reviews and prices on purchasing decisions then the following can be suggested: To increase sales on shop online shopping apart from attractive advertisements so that the shop becomes viral, other activities are also needed, for example holding quizzes about Shopee with attractive prizes, so that consumers will continue to talk about the shop. Increasing the effectiveness of using and disseminating information about the Shop through Viral marketing to increase purchasing decisions. Shopee's social media must always be active in conveying all information, not only sales information, but all information needed by Shop consumers. Online consumer reviews are very important for consumers shopping online shop. There are several things that must be considered by the seller, one of which is the suitability of the product. Where consumers need information in accordance with what written by the seller, in other consumer reviews complaining about the product obtained with the information that is not appropriate, but the seller still hasn't corrected the error so the latest review also states the same thing. So that consumers will be hesitant to buy these products. Due to the importance of online consumer reviews, online shopping at Shopee also needs to increase trust with companies how to increase the credibility of the sellers who are there so that consumers will always make purchasing decisions at the Shop.

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