

The Effect of Electronic Word of Mouth Communication and Website Quality on Purchase Decisions through Trust as a Mediation Variable at Ruparupa.Com in Samarinda

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Abstract

Along with the significant growth of internet users, online shopping has become an alternative for consumers to get the products they want. Various e-commerce competitively attract the attention of consumers such as ruparupa.com. This study aims to analyze the effect of electronic word of mouth and website quality on purchase decisions either directly or through online trust mediation. This study took 65 consumers in Samarinda. Determination of the sample by purposive sampling technique. Data were collected through questionnaires and analyzed using partial least squares. The results of the analysis show that electronic word of mouth and website quality have a significant effect on online trust and purchase decisions. The study explains that online trust is able to play an intervening variable between electronic word of mouth and website quality on online trust and purchase decisions.

Keywords

electronic word of mouth;
website quality; online
trust purchase decision



I. Introduction

Internet users in Indonesia experienced significant growth, recorded in 2015 there were 110.2 million users, while in 2020 it had reached 196.7 million users (Association of Indonesian Internet Service Providers, 2020). The growth of internet users is in line with the growth of e-commerce users, it is recorded that in 2020 it has reached 129.9 million users and is predicted to continue to increase until 2022 by 166.1 million users. Of the many e-commerce users, it has been divided from various e-commerce in Indonesia, one of which is e-commerce ruparupa.com, which is an official e-commerce that sells Kawan Lama Sejahtera, Krisbow, Informa, Ace Hardware, Toys Kingdom products. Ruparupa.com has big challenges along with the dominance of e-commerce users in Indonesia by Tokopedia and Shopee, while ruparupa.com still has a smaller number of visitors than 2.08 million users in 2021 (Databoks, 2022).

Consumer purchasing decisions through the ruparupa.com website are still very low, this can be seen from the limited number of user visits. According to Hakim et al. (2021), the purchase decision is the final choice of consumers from several alternative choices. Various factors that are considered by e-commerce customers have not been moved to make transactions at Ruparupa.com, one of which is the trust factor. Trust is very important in many transactional relationships that contain an element of risk, such as transactions with sellers on the internet (Shidqi, et al., 2019). Trust has been considered as a consumer's psychological state which includes the motive for accepting vulnerability based on positive expectations of consumer intentions (Kim, et al., 2017). Trust is a consumer's belief about a particular store or brand that comply their needs and goals (Alharthey, 2019). Trust can make people willing to exchange their personal information for brands (Rahman, et al., 2020).

Electronic Word-of-Mouth (e-Wom) can be obtained from a group of people who have experienced related products or services from different geographic areas so that the reach is wider than Word-of-Mouth. Information received by consumers regarding products can have an influence on future transactions (Simanjuntak & Hamini, 2019). e-Wom becomes a means to provide opinions and reviews by a customer that shows satisfaction or disappointment with the product. E-WOM communication can be done in various ways such as posting opinions, comments, and product reviews on weblogs, discussion forums, websites, e-bulletin board systems, newsgroups, social networking sites. (Shidqi, et al., 2019).

Website quality is very influential in deciding online purchases. Like at a company counter where product display can be a factor of consumer interest, product display design on the website must also be considered. The quality of a website can be judged based on a simple, smooth, reliable and effective website design and process (Septiari, 2018). Companies should be able to display a quality and professional website, as an effort to improve purchasing decisions by customers.

If further reviewed, to convince consumers to buy online, there are several factors that determine purchasing decisions including e-WoM (Kamil & Albert, 2020; Hakim, et al., 2021; Angel, et al., 2021) and website quality (Irawan, 2018; Sudiyono & Chairy, 2017). The more informative the electronic word-of-mouth, the sooner consumers will decide to buy. Likewise with website quality, the more attractive the website design, the faster consumers will buy. Dapas researchers, et al. (2019) provides different evidence, website quality does not have a positive effect on purchasing decisions. Badir & Andjarwati (2020) research also proves that e-WOM has no effect on purchase decisions. From previous research studies, it was found a research gap between website quality and e-WOM on purchase decisions.

II. Review of Literature

2.1 Purchase Decision

Kotler & Armstrong (2018) defines purchasing decisions as the process of participating directly in personal activities to get the desired product and making decisions when consumers actually buy. The purchase decision is the consumer's final choice from several alternative choices (Hakim, et al., 2021). Consumer decision making begins with awareness in meeting their needs and desires (Herawaty, et al., 2019). The research of Ihsan et al. (2019) states that there are five measures for making purchasing decisions, namely product choice, seller choice, brand choice, number of product purchases, time of purchase and payment method.

2.2 Online Trust

Trust in online stores is a willingness to accept weaknesses in online transactions based on positive expectations about the behavior of online stores in the future (Irawan, 2018). Trust is related to the trustworthiness of the seller and how willing the buyer is to buy (Angel, et al., 2021). The trust that consumers get from the company will be a distinct advantage for the company. In the online shopping business, the level of consumer confidence is higher. The research of Shidqi et al. (2019) using three dimensions adapted from the theory of McKnight et al. (2002), namely:

1. Benevolence is the extent to which a business partner focuses on the well-being of consumers and for mutual benefit. The benevolence dimension includes three indicators, namely: make transactions honestly, tell the truth and keep commitments

2. Integrity is a person's belief that the company makes deals in good faith about the quality of products and services provided to its customers. The integrity dimension includes three indicators, namely: make sure to provide the best for customers, will provide assistance if needed and care about customer welfare not just personal gain
3. Competence is the seller's ability to do what consumers need. The competency dimension includes three indicators, namely: being able to carry out transactions correctly, having adequate resources and having sufficient knowledge in running a business.

2.3 The Effect of Electronic Word of Mouth on Online Trust

Customers use online media to share experiences and impressions of a brand, product, or service that they have experienced themselves. In addition, customers also take advantage of other people's experiences when they want to buy something before finally making a decision to make a purchase of an item or service. With suggestions or reviews given (buyers who have made purchases will share experiences through sharing review platforms that can influence potential buyers in making decisions to buy a product or service. The results of reviews or comments in text-based format given by buyers will have an inhibiting effect and buyers will find it difficult to assess the level of trust from the pre-review source. Electronic Word of Mouth has a positive effect on trust (Septiari, 2018). The research of Hakim et al. (2021) also stated that the e-WOM variable has an effect on trust. e-WOM has a positive effect on online trust (Shidqi, et al., 2019).

H1: Electronic word of mouth positive effect on online trust.

2.4 The Effect of Web Quality on Online Trust

A website quality is an important factor that can affect the trust of a consumer, which after the consumer believes it is not impossible for the consumer to decide to make a transaction through the site. Another supporting factor that encourages consumers to carry out e-commerce activities is the quality of the website. A company must present the company's presence in the eyes of customers virtually so that consumers become confident and conduct online transactions through the company. Putra & Rahmiati research (2019) found that website quality has a positive effect on e-trust. Website quality has a positive effect on trust (Septiari, 2018). Website quality positive effect on online trust (Sudiyono & Chairy, 2017).

H2: Website quality positive effect on online trust.

2.5 The Effect of Electronic Word of Mouth on Purchase Decision

Electronic Word of Mouth is an important thing that can help consumers in making purchasing decisions, this has been proven by Kamil & Albert (2020) which states that e-WOM has a positive effect on purchase decisions. Through shopping through the internet, customers can find out and read recommendations and reviews for the products they are interested in from previous transactions that have occurred, this can have a very strong effect for customers to make purchasing decisions. Based on the research results of Angel, et al. (2021) concluded that e-WOM has a positive effect on purchase decisions. This is in line with the findings of Hakim et al. (2021), e-WOM has a positive effect on purchase decisions.

H3: Electronic word of mouth positive effect on purchase decision

2.6 The Effect of Web Quality on Purchase Decision

Website quality describes the overall performance quality of an online shopping website, and the extent to which the process of the website is simple, reliable, and effective. Supporting factors that encourage consumers to carry out e-commerce activities are website quality, meaning that website quality as measured by usability, information quality, and service interaction quality has an influence on the purchasing decision variables (Ihsan, et al., 2019). A website that is well designed and has an attractive visual appearance increases the possibility of consumers to become customers, because when consumers buy products on the website, they tend to compare the quality of the website and the advantages obtained. The higher the quality of a web, the more users will access the web so that it has an impact on consumer decisions to make purchases. Previous research has shown that website quality has a positive effect on purchase decisions (Irawan, 2018; Solihin & Zuhdi, 2021).

H4: Website quality positive effect on purchase decision

2.7 The Effect of Online Trust on Purchase Decision

The trust that consumers get from e-commerce will be a distinct advantage for e-commerce. In the e-commerce business, the level of consumer trust is higher, because basically consumers and e-commerce are not involved directly or face to face, but between consumers and e-commerce only carry out long-distance communication. In addition, the products offered by e-commerce are only in the form of photos displayed on the web. Trust is very important to build and maintain relationships in the long term, if one party trusts the other, it will eventually lead to positive behavioral intentions towards the second party, the purchase decision maker. Previous research has shown that trust has a significant influence on purchasing decisions (Irawan, 2018). Research Angel, et al. (2021) concluded that trust has a positive effect on purchase decisions.

H5 : Online trust positive effect on purchase decision.

2.8 The Effect of Electronic Word of Mouth on Purchase Decision through Online Trust

Electronic word of mouth can influence someone to have confidence in the website because the reviews given by consumers can be trusted as a worthy site for conducting goods and financial transactions, this is confirmed by the research findings of Hakim et al. (2021), e-WOM has an effect on trust. Based on Abdul's research (2021), states that Electronic word of mouth has a positive and significant effect on purchasing decisions through trust. EWOM is one of the factors that can increase the trust of potential consumers because the majority of eWOM is shared by previous consumers based on their experience of consuming products in the past. With the increase in e-Wom, it can foster confidence in customers which in turn allows users to decide on a purchase (Shidqi, et al., 2019; Angel, et al., 2021).

H6 : Electronic Word of Mouth positive effect on Purchase Decision through Online Trust.

2.9 The Effect of Website Quality on Purchase Decision through Online Trust

The relationship between web quality and purchasing decisions is a direct influence of the independent variable on the dependent variable. The relationship between the two variables is expected to be better if there are other variables that function as a liaison between these variables. In this study, trust is used as a connecting variable. To evaluate a website refers to three core dimensions that represent the quality of a website, namely usability quality, information quality, and service interaction quality (Handayani, et al.,

2020). The increasing quality of the website can foster trust in its users (Sudiyono & Chairy, 2017; Septiari, 2018) which in turn can improve purchasing decisions (Irawan, 2018).
H7: Website Quality positive effect on Purchase Decision through Online Trust.

III. Research Method

3.1 Data Collection

The research data was collected using a questionnaire which was distributed directly to the e-commerce users of *ruparupa.com*. indicators are developed from each dimension of each variable. Electronic Word of Mouth consists of three dimensions, namely intensity, valence of opinion and content (Shidqi, et al., 2019). The quality of a website is measured using the WEBQUAL 4.0 method to assess usability, information quality, and service interaction quality on buying and selling websites (Ihsan, et al., 2019). Online trust has three dimensions, namely benevolence, integrity and competence (Shidqi, et al., 2019). Purchase decisions are measured using indicators of product choice, seller choice, brand choice, number of product purchases, time of purchase and payment method (Ihsan, et al., 2019).

The population is customers who have accessed and transacted on *theruparupa.com* platform through an e-commerce website in the Samarinda Region. The sampling technique is purposive sampling technique. The number of samples used is 65 users (Hair, et al., 2014; Yahaya, et al., 2019).

3.2 Theoretical Framework

The research places e-Wom and website quality variables as independent variables, online trust as an intervening variable, while purchase decision as the dependent variable.

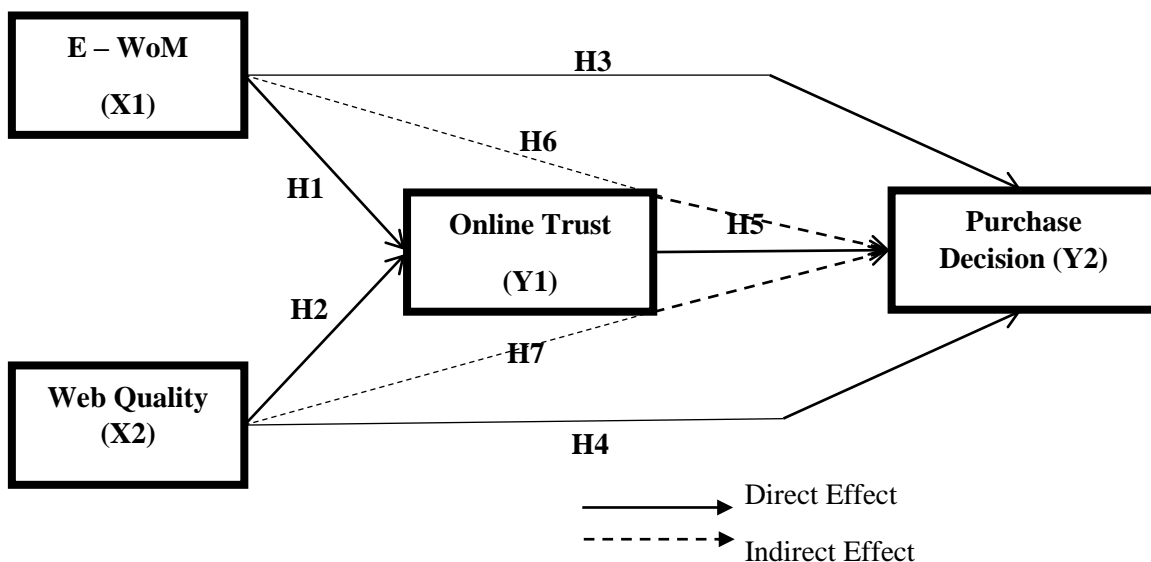


Figure 1. Theoretical Framework

3.3 Data Analysis

Data analysis through partial least squares using SmartPLS software through 2 stages of analysis, namely evaluation of the outer model and inner model (Hair, et al., 2014). The equations that represent the theoretical framework are:

$$Y_1 = b_1X_1 + b_2X_2$$

$$Y_2 = b_3X_1 + b_4X_2 + b_5Y_1$$

IV. Results and Discussion

Partial least square analysis is divided into two analyzes, namely evaluation of the inner model and evaluation of the outer model. In the evaluation of the outer model, it analyzes the relationship between indicators and. The constructs he formed were tested with validity and reliability. In the evaluation of the inner model to analyze the relationship between variables, testing with R Square and Q Square values. The results of the analysis show that the loading factor (LF) for all indicators has exceeded the limit (>0.7) so that all indicators can be declared to meet convergent validity (Yahaya, et al., 2019).

Table 1. Convergent Validity Test

<i>e-Wom</i>		<i>Website Quality</i>		<i>Online Trust</i>		<i>Purchase Decision</i>	
Kode	LF	Kode	LF	Kode	LF	Kode	LF
X1.1	0,873	X2.1	0,830	Y1.1	0,810	Y2.1	0,910
X1.2	0,906	X2.2	0,867	Y1.2	0,845	Y2.2	0,903
X1.3	0,881	X2.3	0,860	Y1.3	0,827	Y2.3	0,927
X1.4	0,885	X2.4	0,831	Y1.4	0,854	Y2.4	0,906
X1.5	0,862	X2.5	0,883	Y1.5	0,893	Y2.5	0,828
X1.6	0,864	X2.6	0,863	Y1.6	0,810	Y2.6	0,940
X1.7	0,812	X2.7	0,916	Y1.7	0,904		
X1.8	0,919	X2.8	0,898	Y1.8	0,875		
		X2.9	0,900	Y1.9	0,826		
		X2.10	0,886				
		X2.11	0,831				
		X2.12	0,876				
		X2.13	0,869				
		X2.14	0,848				
		X2.15	0,859				
		X2.16	0,861				
		X2.17	0,912				
		X2.18	0,910				
		X2.19	0,911				
		X2.20	0,888				
		X2.21	0,870				

Based on the results of the Fornell-Larcker test, it is known that the score of the same construct correlation is greater than the correlation of other constructs, this indicates that the indicator has met the provisions of discriminant validity (Yahaya, et al., 2019).

Table 2. Discriminant Validity Test (Fornell-Larcker)

	e-Wom	Online Trust	Purchase Decision	Website Quality
e-Wom	0,876			
Online Trust	0,858	0,950		
Purchase Decision	0,868	0,908	0,913	
Website Quality	0,799	0,863	0,878	0,885

The indicators in each variable have also been declared reliable, this can be seen from the value of Cronbach's Alpha (CA) and Composite Reliability (CR) which are above the stipulation limit > 0.7 (Hair, et al., 2014).

Table 3. Reliability Test

	CA	CR	Average Variance Extracted
e-Wom	0,956	0,963	0,767
Online Trust	0,952	0,959	0,722
Purchase Decision	0,954	0,964	0,815
Website Quality	0,985	0,986	0,766

Through the evaluation of the inner model, an R Square value of 0.823 is obtained, which means that the variance of the electronic word of mouth and website quality variables has been able to explain the variance of the online trust variable of 82.3% while the remaining 17.7% is explained by the variance of the variables outside the model. The R Square value of 0.878 means that the variance of electronic word of mouth, website quality and online trust variables has been able to explain the variance of the purchase decision variable of 87.8% while the remaining 12.2% is explained by the variance of variables outside the model.

Meanwhile, according to the Q Square value of 0.582, it means that research predictions linking e-Wom and website quality variables to online trust are relevant and to a large degree. The Q Square value of 0.702 means that the research predictions linking the variables of e-Wom, website quality and online trust to purchase decisions are relevant and to a large degree. Thus, research predictions through model development have been declared relevant to the situation in the field.

Table 4. Hypothesis Testing

	Original Sample	T Statistics	P Value
H1: e-Wom -> Online Trust	0,468	4,071	0,000
H2: Website Quality -> Online Trust	0,488	4,400	0,000
H3: e-Wom -> Purchase Decision	0,267	2,223	0,030
H4: Website Quality -> Purchase Decision	0,307	2,972	0,004
H5: Online Trust -> Purchase Decision	0,414	3,040	0,003
H6: e-Wom -> Online Trust -> Purchase Decision	0,194	2,138	0,036
H7: Website Quality -> Online Trust -> Purchase Decision	0,202	2,976	0,004

Based on the table above, the coefficient values (original sample), t statistic and p value are obtained. The hypothesis is accepted if the value of t statistic > 1.96 and p value < 0.05 . Thus H1, H2, H3, H4, H5, H6 and H7 can be declared accepted.

1. Electronic word of mouth has a positive effect on online trust, meaning that the better the information obtained through electronic word of mouth, the higher the online trust on the websiteruparupa.com in Samarinda City.
2. Website quality has a positive effect on online trust, meaning that the better the user's perception of the quality of theruparupa.com website, the higher the online trust of users in Samarinda City.
3. Electronic word of mouth has a positive effect on purchase decisions, meaning that the better the information obtained through electronic word of mouth, the higher the purchasing decisions of users of theruparupa.com website in Samarinda City.

4. Website quality has a positive effect on purchase decisions, meaning that the better the user's perception of the quality of theruparupa.com website, the higher the purchasing decisions of users in Samarinda City.
5. Online trust has a positive effect on purchase decisions, meaning that the higher the trust of online users, the higher the purchasing decisions on theruparupa.com website in Samarinda City.
6. Electronic word of mouth has a positive effect on purchase decisions through online trusts, meaning that online trusts have been able to become an intervening between electronic word of mouth variables on purchase decisions on the websiteruparupa.com in Samarinda City.
7. Website quality has a positive effect on purchase decisions through online trust, meaning that online trust has been able to become an intervening between website quality variables and purchase decisions on theruparupa.com website in Samarinda City.

V. Conclusion

This study aims to analyze the effect of electronic word of mouth and website quality on purchase decisions either directly or through online trust as an intervening variable.

The results of the study provide evidence that the research hypothesis is accepted, which means that electronic word of mouth has been able to increase online trust so that it can ultimately make consumers able to make purchases, these findings have supported the results of Hakim et al. (2021) and Angel, et al. (2021). Then website quality has been able to increase online trust so that in the end it can make consumers able to make purchases. These findings have supported the research results of Sudiyono & Chairy (2017) and Solihin & Zuhdi (2021). The online trust variable has been able to carry out its function as an intervening variable between electronic word of mouth and website quality on purchase decisions.

The next researcher who will make generalizations is expected to be able to use probability sampling samples such as simple random sampling or stratified random sampling according to the characteristics of the sample being studied.

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